BASEL III DISCLOSURES

Disclosures under Pillar 3 in terms of Guidelines on composition of Capital Disclosure Requirements of Reserve Bank of India – as on 31st March 2018

Background :

The following disclosures as of 31st March 2018 have been given as per Basel III guidelines. The full disclosures are required to be made at half yearly intervals. The disclosures are based on the materiality concept and details are given in following disclosure formats.

Table DF-1: Scope of Application

Dena 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
Not Applicable						

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

(Amt. in Crores)

Name of the entity / country of incorporation	Principle Activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity	Regulatory treatment of bank's investments in the capital instruments of the entity	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
Dena Gujarat Gramin Bank	Banking	254.45 (As on 31.03.2017)	35.00%	Deducted from Tier I / II	5082.56 (As on 31.03.2017)

(ii) **Quantitative Disclosures**:

c. List of group entities considered for consolidation

Name of the entity / country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
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

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

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

Name of the insurance entities / country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity / proportion of voting power	Quantitative impact on regulatory capital of using risk weighting method versus using the full deduction method
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:

The capital requirement is a function of the regulatory requirements; the risks arising from bank's activities are mainly due to economic and market conditions. Capital planning of the bank is to ensure the adequacy of capital at the times of changing economic conditions, even at times of economic recession. In this process, the Bank recognizes:

- Current capital requirement of the bank; and
- Capital requirements to sustain projected asset acquisition in near future.

On the basis of current capital position of the bank & need for future capital, the bank raises capital in Tier -1 or Tier -2 with approval of Board of Directors of the Bank. The Capital Adequacy position of the bank is reviewed by the Board of the Bank on quarterly basis.

The Bank reviews its capital requirements and capital strategy based on its business plans as approved by its Board. On the basis of review, the bank raises capital in Tier I & Tier II capital.

For compliance with the New Capital Adequacy Framework, the Bank has adopted Standardised Approach for Credit Risk, Basic Indicator Approach for Operational Risk and Standardized Duration Approach for Market Risk for computing CRAR.

The Bank's Minimum Capital Requirement and Actual level of Capital & Capital Adequacy as on 31.03.2018 are as under:

(₹ in crore)

(i)	**Capital requirement for Credit risk**	**5050.99**
	Capital requirement for Credit Risk	5032.96
	Capital requirement for Forward forex contract (FFC CCF) + Credit Value Adjustment (CVA) + Qualified Central Counterparties (QCCP)	18.03
	Securitisation exposures	0.00
(ii)	**Capital requirement for Market risk in respect of:**	**621.67**
	Capital requirement for Interest Rate Risk	543.73
	Capital requirement for Foreign Exchange risk (including gold)	2.70
	Capital requirement for Equity Risk	75.24
(iii)	**Capital requirement for Operational Risk:**	**551.17**
	Capital requirement for Operational Risk under Basic indicator approach	551.17
(iv)	**Capital Requirement for Other Exposures**	**264.47**
	Capital requirements for exposures to banks	1.31
	Capital requirement for Fixed Assets	137.70
	Capital requirement for Other Assets	125.46
(v)	**Total Capital**	
	Minimum Capital Requirement for Credit, Market, Operational Risk and Other Risks	**6488.29**
	Actual Position of Total Eligible capital	8088.12
	Eligible Tier I Capital	6425.56
	Eligible Tier II Capital	1662.56
(vi)	**CRAR**	
	CRAR	11.09
	CET 1 CRAR	8.81
	Tier I CRAR	8.81
	Tier II CRAR	2.28

Table DF- 3 : Credit Risk : General disclosures

a. Strategies and Processes for credit risk:

The bank has a well-defined Loan Policy (which includes guidelines on lending to Retail Segment & MSME sector), Loan Recovery Policy, Treasury Policy (which incorporates, *inter-alia*, investment policy) & Discretionary Power Booklet covering the important areas of credit risk management as under:

- Exposure ceilings to different sectors/ Industries of the economy, different types of borrowers , group and Industry
- Fair Practice Code in dispensation of credit
- Discretionary Powers for Lending for different levels of authority of the bank
- Processes involved in dispensation of credit – pre sanction inspection, rejection, appraisal, sanction, documentation, monitoring, and recovery.
- Fixation of pricing

b. The Credit Risk philosophy, architecture and systems of the bank are as under:

Credit Risk Philosophy:

- Profitable deployment of resources in line with Asset Liability Management (ALM) requirements.
- To set up standard and uniform credit evaluation system and procedures to monitor portfolio performance and set up guideposts to augment income from non-fund exposures
- To address issues of credit concentration and to set up prudential credit exposure norms.
- To build and maintain a well diversified portfolio for an orderly asset growth
- To set up a Credit Risk Management System with parameters for risk identification, measurement, monitoring and mitigation
- To provide for Loan Review Mechanism
- To set up a risk based Loan Pricing.
- To provide for dissemination of information to enable informed credit decision making at all levels and to facilitate proper training of field staff on credit appraisal and monitoring
- To provide for adequate delegation of discretionary authority at all levels.

Architecture and Systems of the Bank:

- A Sub-Committee of Directors has been constituted by the Board to specifically oversee and co-ordinate Risk Management functions in the Bank.
- Credit Risk Management Committee has been set up to formulate and implement various credit risk strategy including lending policies and to monitor Bank's Enterprise-wide Risk Management function on a regular basis.
- Formulating of policies on standards for credit proposals, financial covenants, rating standards and benchmarks.
- Credit Risk Management cells deal with identification, measurement, monitoring and controlling credit risk within the prescribed limits.
- Close review and monitoring of stressed assets to prevent deterioration in quality.
- Enforcement and compliance of the risk parameters and prudential limits set by the Board/Regulator etc.
- Laying down risk assessment systems, developing MIS, and monitoring quality of loan portfolio, identification of problems, and correction of deficiencies.
- Evaluation of Portfolio; conducting comprehensive studies on economy, industry; testing the resilience of the loan portfolio etc.
- Improving credit delivery system upon full compliance of laid down norms and guidelines.
- Credit Approval Committees have been set up at Zonal Offices (ZO-CAC), Field General Managers Office (GMO-CAC), Head Office (HO-CAC-II & HO-CAC-III) apart from existing Credit Approval Committee of Board i.e. HO-CAC-I.

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

NON PERFORMING ASSETS (NPA): A non-performing asset (NPA) is a loan or an advance where;

i. interest and / or installment of principal remain overdue for a period of more than 90 days in respect of a term loan,

ii. the account remains 'out of order' in respect of an Overdraft/ Cash Credit (OD/CC),

iii. the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,

iv. the installment of principal or interest thereon remains overdue for two crop seasons for short duration crops,

v. The installment of principal or interest thereon remains overdue for one crop season for long duration crops.

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 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'.

An amount due to the bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the bank. Non Performing Assets of the Bank are further classified into three categories as under:

Sub-standard Assets: A sub-standard asset would be one, which has remained NPA for a period less than or equal to 12 months. All the recovery measures are relevant in substandard assets also. If the entire overdue is recovered by way of cash recovery, the account can be upgraded to standard category immediately. Similarly, if an account is classified as NPA due to technical reasons, the account shall be upgraded on clearance of technical reasons.

Doubtful Assets: An asset would be classified as doubtful if it remained in the sub standard category for 12 months. In case of NPA accounts, where the realizable value of security available is less than 50% of the balance outstanding / dues, these accounts would also be classified as Doubtful.

Substandard and Doubtful accounts, which are subjected to restructuring/ rescheduling, can be upgraded to standard category only after a period of one year after the date when first payment of interest or of principal, whichever is earlier, falls due, subject to satisfactory performance during the period.

Loss Assets: A loss asset is one where loss has been identified by the bank or internal or external auditor or the RBI inspection. In Loss assets, realizable value of security available is not more than 10% of balance outstanding/ dues. Since security back up will not be available, the restructuring/ rehabilitation, if required, should be considered with utmost care.

d. The Scope and Nature of Risk Reporting and / or Measurement System:

The Bank has in place a credit risk rating system for its credit exposures. An effective way to mitigate credit risks is to identify potential risks in a particular asset, maintain a healthy asset quality and at the same time impart flexibility in pricing assets to meet the required risk-return parameters as per the bank's overall strategy and credit policy.

BASEL III DISCLOSURES

The Bank has implemented internal rating models RAM (Risk Assessment Models) for customers with limits of Rs. 25 Lacs & above. For loans below Rs 25 lacs, the bank has separate credit risk rating system for evaluating credit risk and is designed to assist the bank in determining the probability of default and the severity of default, among its loan assets.

e. The Quantitative Disclosures in respect of Credit Risk are as under:

(₹ In crores)

Sr. No		Fund Based
(i)	Total credit (Net of provision)	**74238.58**
(ii)	Geographic Distribution of Advances ➢ Overseas ➢ Domestic	 **0.00** **74238.58**
(iii)	**Industry type distribution of domestic exposures^**	**Advances – Fund Based Outstanding**
	Mining & Quarrying (incl. Coal)	374.22
	Iron & Steel	4786.04
	Other Metal & Metal Products	557.86
	All Engineering	2610.02
	Cotton Textile	1438.99
	Jute Textile	5.35
	Man Made Textile	165.41
	Other Textiles	1983.77
	Food Processing	1350.14
	Of which Sugar	178.48
	Tea	6.63
	Vegetable oils (incl. Vanaspati)	460.49
	Paper & Paper Products	391.75
	Rubber , Plastic & their products	709.60
	Chemical, Dyes, Paints & Pharmaceutical of which: ➢ Fertilizers ➢ Petro- Chemical ➢ Drug & Pharmaceuticals	797.66 101.52 252.17 232.55
	Cement and Cement products	460.89
	Leather & Leather Products	427.50
	Gems & Jewellery	781.57
	Construction	2542.08
	Petroleum, Coal Products and Nuclear Fuels	1.32
	Vehicles, Vehicles Parts & transport Equipment	145.61
	Computer Software	227.79
	Infrastructure of which: ➢ Energy ➢ Communications ➢ Water and sanitation ➢ Social and Commercial Infrastructure ➢ Transport	11625.71 3624.22 1788.42 841.86 1182.56 3321.82
	NBFCs	9656.81
	Trading	1237.30
	Beverage & Tobacco	15.23
	Wood & Wood Products	125.30
	Other Industries	824.27

f. Residual Contractual Maturity Breakdown of Assets

(₹ In crores)

Maturity Pattern	Net Advances	Net Investments	Foreign Currency Assets
1 day (next day)	198.84	0.00	62.72
2 to 7 days	1310.16	200.47	74.44
8 to 14 days	1435.90	126.54	31.29
15 to 30 days	727.23	82.28	75.01
31 days and up to 2 months	1951.87	81.98	184.48
61 days and up to 3 months	1369.51	83.78	516.26
Over 3 months & up to 6 months	4102.88	109.11	280.47
Over 6 months & up to 1 year	3295.83	2032.78	8.67
Over 1 year & up to 3 years	24134.49	2415.11	0.00
Over 3 years & up to 5 years	6442.51	5126.99	0.00
Over 5 years	20612.29	27350.51	0.00
Total	**65581.51**	**37609.55**	**1233.34**

Disclosure in respect of Non-performing Advances and Investments:

f. Gross NPA

Category	(₹ In Crore)
Sub Standard	3353.75
Doubtful – 1	4259.22
Doubtful – 2	4749.02
Doubtful – 3	2434.61
Loss	1564.84
Total NPA	**16361.44**

g. The amount of net NPA is ₹ 7838.78 Crore

h. The NPA ratios are as under:

- Gross NPAs to Gross Advances - 22.04 %
- Net NPAs to Net Advances - 11.95 %

i. The movement of gross NPAs is as under

Sl. No.	Particulars	₹ In Crore
(i)	Opening Balance at the beginning of the year	12618.73
(ii)	Addition during the year ended 31.03.2018	6008.47
(iii)	Reduction during the year ended 31.03.2018	2265.76
(iv)	Closing Balance as at the period ended 31.03.2018 (i + ii – iii)	16361.44

j. The movement of provision for NPA is as under:

Sl. No.	Particulars	₹ In Crore
(i)	Opening Balance at the beginning of the year	4877.67
(ii)	Provision made during the year ended 31.03.2018	4281.80
(iii)	Write-off made during the year ended 31.03.2018	679.39
(iv)	Write-back of excess provisions made during the year ended 31.03.2018	--

(v)	Any other adjustments, including transfers between provisions	--
(vi)	Closing Balance as at the end of the year ended 31.03.2018	8480.08

k. The amount of non-performing investments is ₹ 161.52 Crore.

l. The amount of provisions held for non-performing investments is ₹ 151.77 Crore

m. The movement of provisions for depreciation on investments is as under:

Sl. No.	Particulars	₹ In Crore
(i)	Opening Balance at the beginning of the year	452.54
(ii)	Provision made during the year ended 31.03.2018	218.54
(iii)	Write-off made during the year ended 31.03.2018	0.00
(iv)	Depreciation adjusted by reducing book value of Investment under AFS/ HFT category shifted to HTM	226.32
(v)	Less : Write-back of excess provision	14.75
(vi)	Closing Balance as at the end of the year ended 31.03.2018 (i + ii – iii – iv - v)	430.01

n. By major industry or counterparty type:

List of Industry-wise (Major Industries) NPA and provision as on 31st March 2018

(₹ In Crores)

Sr. No.	Industry Name	Total NPA	Total Provision
1	Mining and Quarrying	8.70	2.80
2	Food Processing	526.18	299.46
3	Beverages (excluding Tea & Coffee) and Tobacco	9.32	8.26
4	Textiles	1409.8	763.48
5	Leather and Leather products	5.76	1.46
6	Wood and Wood Products	42.56	23.99
7	Paper and Paper Products	147.53	42.86
8	Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	0.02	0.02
9	Chemicals and Chemical Products (Dyes, Paints, etc.)	166.09	59.97
10	Rubber, Plastic and their Products	59.35	29.69
11	Glass & Glassware	59.82	54.22
12	Cement and Cement Products	161.64	149.52
13	Basic Metal and Metal Products	2838.52	1480.73
14	All Engineering	1701.68	606.43
15	Vehicles, Vehicle Parts and Transport Equipment	33.71	25.35
16	Gems and Jewellery	465.11	258.82
17	Construction	1056.29	728.29
18	Infrastructure	2454.06	1280.44
	Of which		
	Energy	741.51	329.20
	Communication	519.88	258.45
	Transport	795.38	327.51
	Water and Sanitation	73.00	73.00
	Social and Commercial Infrastructure	63.18	31.17
	Others	261.11	261.11
19	Other Industries	685.78	415.58
	Residuary other advances (to tally with gross advances)	4529.52	2248.71
	Total	**16361.44**	**8480.08**

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

Position as on 31st March 2018								(Rs. in Crores)
	Substandard Advances		**Doubtful Advances**		**Loss Advances**		**Total NPA**	**Total Provision**
	NPA Amount	Provision	NPA Amount	Provision	NPA Amount	Provision		
Western India	2617.76	402.94	9092.28	5716.67	1363.83	1295.46	**13073.87**	**7415.08**
Southern India	256.04	38.93	523.63	307.78	220.99	220.92	**1000.66**	**567.63**
Eastern India	46.14	7.20	533.69	458.10	234.46	233.86	**814.29**	**699.16**
Northern India	337.57	50.75	2725.61	1700.51	101.41	100.99	**3164.60**	**1852.25**
Central India	97.24	14.79	380.71	255.14	26.99	26.88	**504.94**	**296.81**
Total as per Form C	3354.75	514.62	13255.93	8438.20	1947.69	1878.11	**18558.37**	**10830.93**
Prudential Write-off & write back at Head Office	1.00	1.00	1813.08	1813.08	382.85	382.85	**2196.93**	**2196.93**
Write back at Head Office				92.11		61.81		**153.92**
Total (Final)	**3353.75**	**513.62**	**11442.85**	**6533.01**	**1564.84**	**1433.45**	**16361.44**	**8480.08**

Table DF- 4: Credit risk: Disclosures for Portfolios subject to the Standardised approach

Under Standardized Approach, the bank accepts rating of all RBI recognised ECRAs (External Credit Rating Agencies) namely CARE, CRISIL, India Rating, ICRA, Brickwork, SMERA and Infomerics for domestic credit exposures. For overseas credit exposures the bank accepts rating of Standard & Poor, Moody's and Fitch as per RBI guidelines.

The bank encourages large corporate borrowers to solicit ratings from RBI approved ECAI (External Credit Assessment Institutions) and has used these ratings for calculating risk weighted assets wherever such ratings are available.

The risk weighted assets considering risk mitigants subject to Standardized Approach (rated and unrated) in the following three major risk buckets are as under:

(i) Fund based & Non- Fund based exposures

(₹ in crores)

As on 31.03.2018	Fund based Exposure	Non Fund based Exposure
At below 100%	46189.14	4766.33
At 100%	17796.13	2624.63
At more than 100%	9123.13	1782.91
Deducted Against CRM	3327.11	1099.23
Less: PWO at HO	-2196.93	0.00
Total	**74238.58**	**10273.11**

Table DF- 5: Credit Risk Mitigation: Disclosures for Standardised Approach

a. Credit Risk Mitigation technique – On/Off balance sheet netting

On/Off Balance Sheet netting is confined to loans/advances and deposits, where bank has legally enforceable netting arrangements, involving specific lien with proof of documentation.

b. Valuation of Collaterals

The valuation of eligible collaterals is taken based on the current market price as per the extant guidelines of the Bank regarding valuation of financial collaterals and non-financial collaterals.

Bank obtains various types of securities (which may also be termed as collaterals) to secure the exposures (Fund based as well as non-fund based) on its borrowers. Generally following types of securities (whether as primary securities or collateral securities) are taken:

1. Movable assets like stocks, movable machinery etc.
2. Immoveable assets like land, building, plant & machinery
3. Bank's own deposits.
4. NSCs, IVPs, KVPs, Govt. Bonds, RBI Bonds, LIC policies, etc.
5. Cash Margin against Non-fund based facilities
6. Gold Jewellery
7. Shares as per approved list

The bank has well-laid down policy on valuation of securities charged to the bank. According to Loan policy, Valuation of collateral securities such as immovable properties charged to Bank should be taken once in three years.

The main types of guarantors against the credit risk of the bank are:

- Individuals (Personal guarantees)
- Corporate
- Central Government
- State Government
- ECGC
- CGTMSE

CRM securities are mostly available in Loans against Bank's Own Deposit and Loans against Government Securities, LIC Policies. CRM securities are also taken in non fund based facilities like Guarantees and Letters of Credit.

Eligible guarantors (as per Basel guidelines) available as CRM in respect of Bank's exposures are mainly Central/ State Government, ECGC, CGTMSE.

The total volatility adjusted Credit Risk Mitigants eligible for deduction from the fund based outstanding exposures as on 31.03.2018 are ₹ 4426.34 Crores.

c. CRM exposure (portfolio-wise) (₹ in Crore)

Nature of Assets	Fund Based	CRM Exposure	Non Fund Based	CRM Exposure
Domestic Sovereign	0.08	0	0.13	0
Public Sector Entity	6809.7	130.18	836.34	15.27
Claims on Bank	594.35	594.35	34.11	19.65
Primary Dealers	2.8	0	1.06	0.2
Corporates	34389.53	681.22	8794.24	840.5
Regulatory Retail Portfolio	21032.45	1595.47	547.55	198.22
Residential Property	5336.31	18.94	0	0
Commercial Real Estate	526.41	0.06	55.83	23.63
Specified Category	6797.94	284.73	3.85	1.76
Other Assets	945.94	22.16	0	0
Total	**76435.51**	**3327.11**	**10273.11**	**1099.23**
Less: PWO at HO	2196.93	0.00	0.00	0.00
Final Figures	**74238.58**	**3327.11**	**10273.11**	**1099.23**

Table DF- 6: Securitisation Exposures: Disclosure for Standardised Approach

The Bank does not have any case of its assets securitised as on 31st March, 2018.

Table DF- 7: Market risk in Trading Book

The Bank defines market risk as potential loss that the Bank may incur due to adverse developments in market prices. The following risks are identified as Market risk:

- Interest Rate Risk
- Currency Risk
- Price risk

ALCO Desk

ALM Desk or Asset Liability Management Section of Integrated Risk Management Department is headed by a Chief Manager. The Desk comprises of number of trained Officers and is responsible for implementing the Asset Liability Management directions of ALCO and to undertake necessary studies, analysis, etc. for this purpose.

Mid Office

The Mid-Office in Integrated Treasury Branch is equipped with Officers with necessary skills and is responsible for monitoring, measuring, analyzing and reporting market risk involved in the operations on a continuous basis. The Mid-Office is independent of the Front & Back Offices of Treasury and reports to Dy. General Manager (Integrated Risk Management Department). The Mid-Office submits weekly reports to Dy. General Manager (Integrated Risk Management Department) and GM (IRM) on the levels of adherence to the prescribed prudential limits in this Policy as well as the Investments Policy of the Bank.

Market Risk Management

In order to manage above risks, Bank's Board of Directors has laid down various limits such as Aggregate Settlement limits, Stop loss limits and Value at Risk limits. The risk limits, controls the risks arising from open market positions. The stop loss limit takes into account realized and unrealized losses. Bank has put in place a proper system for calculating capital charge on Market Risk on Trading Book as per RBI Guidelines, viz., Standardised Duration Approach. The capital charge thus calculated is converted into Risk Weighted Assets.

Capital charge on Market Risk (Standardised Duration Approach) as on 31st March 2018 is as under:

Sl. No.	Risk Category	Amount (₹ In crore)
I	**Interest Rate (a+b)**	**543.7232**
a	**General market risk**	**348.3695**
(i)	Net Position	348.3406
(ii)	Horizontal disallowance	0.0021
(iii)	Vertical disallowance	0.0268
(iv)	Options	0.0000
b	**Specific risk**	**195.3537**
II	**Equity Risk (i + ii)**	**75.2429**
i.	General market risk	33.4413
ii.	Specific risk	41.8016
III	**Foreign Exchange Risk (including Gold)**	**2.7000**
IV	**Total capital charge for market risks under Standardised duration approach (I + II+ III)**	**621.6661**

The Capital Charge on market risk is calculated based on NCAF circular. The RWAs are calculated by multiplying capital charge by 12.5.

Table DF- 8: Operational risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people or systems or from external events. It includes legal risk but excludes strategic and reputation risk. Operational risk is inherent in the Bank's business activities in day to day operations.

Objectives of Operational Risk Management (ORM)

- To recognise the need to understand operation risk in activities / business lines in which the bank is engaged. ORM functions shall not be understood as a process of eliminating such risks but as a systemic approach to understand, identify, measure, monitor and control such risk.
- To set up operational risk limits for various causes leading to operational risk event based on actual risk data collected, its severity and its trend. This approach would be necessary to eliminate / restrict the underlying causes for operational risk event to occur.
- To devise operational risk reporting system for specified business lines.
- Integrate ORM system in to day to day risk management processes of the bank by clearly assigning roles for effectively identifying, assessing, monitoring, control and mitigating operational risk events.
- Propose to move from Basic Indicator Approach (BIA) to higher approaches (TSA / AMA) for Operational risk in due course.

In line with RBI guidelines, Bank has adopted the Basic Indicator Approach (BIA) to compute the capital requirements for Operational Risk. The methodology for calculating capital requirements under BIA can be summarised as given below:

The Gross Income of last three years is calculated by adding operating expenses to Operating Profit and subtracting reversal of provisions, profit from sale of HTM securities and income from insurance business as per RBI guidelines. The average gross income is then multiplied by a factor 'Alpha' (15%) to get Capital Charge for operational risk. Once the bank calculates the capital charge for operational risk under BIA, the capital charge is multiplied with 12.5 and the notional risk weighted asset (RWA) for operational risk is thus arrived.

Risk Weight Assets for the Operational Risk as at 31st March 2018 is ₹ 6124.13 Crores.

Table DF- 9: Interest rate risk in the banking book (IRRBB)

The IRRBB measurement is carried out through two approaches EaR and MVE. The interest rate risk, when viewed from these two perspectives, is known as 'earnings perspective' and 'economic value perspective', respectively. Both approaches take into account position of rate sensitivity of assets and liabilities which are bucketed in residual maturity time buckets based on behavioral analysis. Both approaches measure the IRRBB on a monthly basis.

Earning at Risk (Traditional Gap Analysis)(Short Term):

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

i. The Earning at Risk is analyzed under different scenarios as under :

(₹ in Crore)

EaR	Impact on NII up to next balance sheet date (i.e. 31.03.2019)	
	By 50 bps	**By 200 bps**
Increase in Interest rates on assets and liabilities (Shock given on gaps)	66.83	267.33
Increase in Interest rates on deposits and investments and not for advance portfolio (Shock given on gaps)	-103.12	-412.48

ii. Economic Value of Equity (Modified Duration Gap Analysis) (Long term) :

a. Economic Value of Equity is done by calculating modified duration of assets and liabilities to arrive at the modified duration of equity. Impact on the Economic Value of Equity is analyzed for a 100 bps/ 200 bps rate shock at regular intervals for domestic operations through Duration Gap Method.

b. The net impact on net worth of the bank against 100 bps / 200 bps downward movement in interest rates is ₹ 576.31 crores / ₹ 1152.62 crores as on 31.03.2018 for domestic operations.

c. For assets and liabilities denominated in US dollars, the net impact on net worth of the bank against 100 bps / 200 bps downward movement in interest rates is ₹ 4.29 crores / ₹ 8.59 crores as on 31.03.2018.

d. For assets and liabilities denominated in Residual currency (other than INR/USD), the net impact on net worth of the bank against 100 bps / 200 bps downward movement in interest rates is ₹ 0.29 crores / ₹ 0.58 crores as on 31.03.2018..

In the course of its business, Bank has set in place systems & procedures to identify the risks involved, measure the impact thereof, adhere to mitigation techniques / take necessary steps to mitigate such risks. Further, monitoring of such risks and mitigation thereof is done on an on-going basis.

Table DF-10 General Disclosure for Exposures related to Counterparty credit Risk

Qualitative Disclosure –

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

An economic loss would occur if the transactions or portfolio of transactions with the counterparty has a positive economic value at the time of default.

BASEL III DISCLOSURES

Bank offers derivative product viz. Forex Forward Contracts to customers to enable them to hedge their currency exposure. All over-the-counter derivative leads to counterparty credit exposures which bank monitors on a regular basis.

The bank has a well laid down policy for undertaking derivative transactions approved by board.

Capital for CCR exposure is assessed based on Standardised Duration Approach.

Bank has put in place Counterparty Credit Risk limits for banks as counterparty, based on internal rating of the counterparty bank with the approval of the board. Counterparty exposures for other entities are subject to comprehensive exposure ceiling fixed by the board.

Quantitative Disclosure –

1. As of date bank is dealing in Foreign Exchange Forward contracts and currency swaps.
2. The Bank does not recognise bilateral netting. The credit equivalent amount of derivatives that are subjected to risk weighting are calculated as per the Current Exposure Method.

(₹ in crores)

Particulars	Foreign Exchange contracts & Swaps
Current Credit Exposure	56.05
Potential Future Exposure	91.62
Total Credit Equivalent	147.68

Table DF- 11: Composition of Capital

(Rs. in crores)

Basel III common disclosure template to be used from 31.03.2017		
	Common Equity Tier 1 capital: Instruments and reserves	
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	2259.05
2	Retained earnings	(1923.15)
3	Accumulated other comprehensive income (and other reserves)	8265.75
4	Directly issued capital subject to phase out from CET 1 (only applicable to non-joint stock companies)	0.00
	Public sector capital injections grandfathered until 1 January 2018	0.00
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET 1)	0.00
6	Common Equity Tier 1 capital before regulatory adjustments	8601.65
	Common Equity Tier 1 capital: regulatory adjustments	
7	Prudential valuation adjustments	
8	Goodwill (net of related tax liability)	
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	27.38
10	Deferred tax assets	2975.52
11	Cash-flow hedge reserve	
12	Shortfall of provisions to expected losses	
13	Securitisation gain on sale	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	
15	Defined-benefit pension fund net assets	-
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	
17	Reciprocal cross-holdings in common equity	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital(amount above 10% threshold)	-
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	19.33
20	Mortgage servicing rights (amount above 10% threshold)	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	--
22	Amount exceeding the 15% threshold	
23	*of which: significant investments in the common stock of financial entities*	
24	*of which: Mortgage servicing rights*	
25	*of which: Deferred tax assets arising from temporary differences*	
26	National specific regulatory adjustments	
26a	*of which: Investments in equity capital of the unconsolidated insurance subsidiaries entities*	
26b	*of which: Investments in equity capital of the unconsolidated insurance non-financial subsidiaries*	
26c	*of which: Shortfall in the equity capital of the majority owned financial entities which have not been consolidated with the bank*	

26d	*of which: Unamortised pension funds expenditures*	
27	Regulatory adjustments Applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	8.50
28	Total regulatory adjustments to Common equity Tier 1 (10% of CET 1 capital added back)	854.64
29	Common Equity Tier 1 Capital (CET 1)	6425.56
Additional Tier 1 capital : instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)	125.00
31	*of which: classified as equity under applicable accounting standards(Perpetual Non-Cumulative Preference Shares)*	
32	*of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)*	125.00
33	Directly issued capital instruments subject to phase out from Additional Tier 1	
34	Additional Tier 1 instruments (and CET 1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT 1)	
35	*of which: instruments issued by subsidiaries subject to phase out.*	
36	Additional Tier 1 capital before regulatory adjustments	0.00
Additional Tier 1 capital :regulatory adjustments		
37	Investments in own Additional Tier 1 instruments	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	8.50
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	--
41	National specific regulatory adjustments (41a+41b)	
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	
43	**Total regulatory adjustments to Additional Tier 1 capital**	0.00
44	**Additional Tier 1 capital (AT1)**	0.00
45	**Tier 1 capital (T1 = CET1 + AT1) (29 + 44)**	6425.56
Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	1180.00
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)	
49	*of which: instruments issued by subsidiaries subject to phase out*	
50	Provisions	482.56
51	**Tier 2 capital before regulatory adjustments**	1662.56
Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments	
53	Reciprocal cross-holdings in Tier 2 instruments	
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-
56	National specific regulatory adjustments (56a+56b)	
56a	*of which: Investments in the Tier 2 capital of unconsolidated subsidiaries.*	
56b	*of which: shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank.*	
57	**Total regulatory adjustments to Tier 2 capital**	-
58	**Tier 2 capital (T2)**	1662.56
59	**Total capital (TC= T1 + T2) (45+58)**	8088.12
60	**Total risk weighted assets (60a + 60b + 60c)**	72955.55
60a	*of which: total credit risk weighted assets*	59060.59

BASEL III DISCLOSURES

60b	*of which: total market risk weighted assets*	7770.83
60c	*of which: total operational risk weighted assets*	6124.13
Capital ratios		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	8.81%
62	Tier 1 (as a percentage of risk weighted assets)	8.81%
63	Total capital (as a percentage of risk weighted assets)	11.09%
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	
65	*of which: capital conservation buffer requirement*	1.875%
66	*of which: bank specific countercyclical buffer requirement*	
67	*of which: G-SIB buffer requirement*	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	3.31 %
National minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50 %
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00 %
71	National total capital minimum ratio (if different from Basel III minimum)	9.00 %
Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital of other financial entities	
73	Significant investments in the common stock of financial entities	
74	Mortgage servicing rights (net of related tax liability)	N.A.
75	Deferred tax assets arising from temporary differences (net of related tax liability)	N.A
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)	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	
	Capital instruments subject to phase-out arrangements(only applicable between March 31, 2017 and March 31,2022)	
80	Current Cap on CET 1 instruments subject to phase out arrangements	N.A.
81	Amount Excluded from CET 1 due to cap (excess over cap after redemptions and maturities)	N.A.
82	Current cap on AT1 instruments subject to phase out arrangements	N.A.
83	Amount excluded from AT1 due to cap(excess over cap after redemptions and maturities)	N.A.
84	Current cap on T2 instruments subject to phase out arrangements	N.A.
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	N.A.

Notes to the Template

Row No of the template	Particular	(Rs. In Crores)
10	Deferred tax assets associated with accumulated losses	0.00
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	2975.52
	Total as indicated in row 10	2975.52
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	N.A
	of which: Increase in Common Equity Tier 1 capital	N.A.
	of which: Increase in Additional Tier 1 capital	N.A.
	of which: Increase in Tier 2 capital	N.A.
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	N.A.
	(i) Increase in Common Equity Tier 1 capital	N.A.
	(ii) Increase in risk weighted assets	N.A.
50	Eligible Provisions included in Tier 2 capital	482.56
	Eligible Revaluation Reserves included in Tier 2 capital	0.00
	Total of row 50	482.56

Table DF- 12: Composition of Capital – Reconciliation Requirements

(Rs. in Crores)

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
		As on reporting date	As on reporting date
A	Capital & Liabilities		
i.	Paid-up Capital	2259.05	NA
	Reserves & Surplus	6943.76	NA
	Minority Interest		
	Total Capital	9202.81	NA
ii.	Deposits	106130.14	NA
	Of which: Deposits from banks	3882.79	NA
	Of which: Customer deposits	102247.35	NA
	Of which: Other deposits		
iii.	Borrowings	3561.00	NA
	Of which: From RBI	800.00	NA
	Of which: From banks	0.00	NA
	Of which: From other institutions & agencies	0.00	NA
	Of which: Others	0.00	NA
	Of which: Capital instruments	2761.00	NA
iv	Other liabilities & provisions	1965.85	NA
	Total Liabilities	120859.80	NA
B	Assets		
i.	Cash and balances with Reserve Bank of India	5894.74	NA
	Balance with banks and money at call and short notice	62.73	NA
ii.	Investments:	37609.55	NA
	Of which: Government securities	29679.33	NA
	Of which: other approved securities	0.00	NA
	Of which: Shares	250.97	NA
	Of which: Debentures & Bonds	4013.26	NA
	Of which: Subsidiaries / Joint Ventures / Associates	19.33	NA
	Of which: others (commercial papers, mutual funds etc.	3646.66	NA
iii.	Loans and advances	65581.51	NA
	Of which: Loan and advances to banks	598.66	NA
	Of which: Loan and advances to customers	64982.85	NA
iv.	Fixed assets	1557.34	NA
v.	Other assets	10153.93	NA
	Of which: Goodwill and intangible assets	9.86	NA
	Of which: Deferred tax assets	2975.52	NA
vi.	Goodwill on consolidation		
vii.	Debit balance in Profit & Loss account		NA
	Total Assets	120859.80	NA

Step – 2

(Rs. in Crores)

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
		As on reporting date	As on reporting date
A	Capital & Liabilities		
i.	Paid – up Capital	2259.05	NA
	Of which: Amount eligible for CET 1	2259.05	NA
	Of which: Amount eligible for AT1	0	NA
	Reserves & Surplus*	6943.76	NA
	Minority Interest		

BASEL III DISCLOSURES

	Total Capital	9202.81	NA
ii.	Deposits	106130.14	NA
	Of which: Deposits from banks	3882.79	NA
	Of which: Customer deposits	102247.36	NA
	Of which: Other deposits		
iii.	Borrowings	3561.00	NA
	Of which: From RBI	800.00	NA
	Of which: From banks	0.00	NA
	Of which: From other institutions & agencies	0.00	NA
	Of which: others	0.00	NA
	Of which: Capital instruments	2761.00	NA
iv.	Other liabilities & provisions	1965.85	NA
	Of which: DTLs related to goodwill		
	Of which: DTLs related to intangible assets		
	Total Liabilities	120859.80	NA
B	Assets		
i.	Cash and balances with Reserve Bank of India	5894.74	NA
	Balance with banks and money at call and short notice	62.73	NA
ii.	Investments:	37609.55	NA
	Of which: Government securities	29679.33	NA
	Of which: other approved securities	0.00	NA
	Of which: Shares	250.97	NA
	Of which: Debentures & Bonds	4013.26	NA
	Of which: Subsidiaries / Joint Ventures / Associates	19.33	NA
	Of which: others (commercial papers, mutual funds etc.	3646.66	NA
iii.	Loans and advances	65581.51	NA
	Of which: Loan and advances to banks	598.66	NA
	Of which: Loan and advances to customers	64982.85	NA
iv.	Fixed assets	1557.34	NA
v.	Other assets	10153.93	NA
	Of which: Goodwill and intangible assets *Out of which:*	9.86	NA
	Goodwill		
	Other intangibles (excluding MSRs)		
	Deferred tax assets	2975.52	NA
vi.	Goodwill on consolidation		
vii.	Debit balance in Profit & Loss account		
	Total Assets	120859.80	NA

*The loss figure of ₹ 1923.15 cr , has been reduced from reserves & surplus, thus total liabilities and total assets tallied with balance sheet figures.

Extract of Basel III common disclosure template (with added column)- Table DF -11 (Part II)			
Common Equity Tier 1 capital: instruments and reserves			
		Component of regulatory capital reported by bank (Rs. in Crores)	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	2259.05	NA
2	Retained earnings	-1923.15	
3	Accumulated other comprehensive income (and other reserves)	8265.75	NA
4	Directly issued capital subject to phase out from CET 1 (only applicable to non-joint stock companies)		
5	Common share capital issued by subsidiaries and held by third parties(amount allowed in group CET 1)		
6	Common Equity Tier 1 capital before regulatory adjustments	8601.65	NA
7	Prudential valuation adjustments		
8	Goodwill(net of related tax liability)		

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

Series IX

Features of the Issue

Issuer	Dena Bank
Issue Size	Rs. 100 crores + Green Shoe
Nature of Instrument	Unsecured Non-Convertible Redeemable Subordinated Bonds Lower Tier II Series IX in the nature of Promissory Notes
Mode of Placement	Private Placement
Tenor	122 months
Put Option	None
Call Option	None
Coupon Rate	The bond will bear the interest rate of 9.25% per annum (payable Annually) till the end of 122 months from the deemed date of allotment.
Face Value of the Bond	Rs.10 lakhs per Bond
Coupon Payable	Annually on 31st March every year.
Date of Opening	14th March, 2008
Date of Closing	19th March, 2008
Deemed date of allotment	25th March, 2008
Redemption	122 months after deemed date of allotment

The issue of Rs.100 crores was oversubscribed by Rs.6.00 crores aggregating to Rs.106 crores.

Series X

Summary Term Sheet

Issuer	Dena Bank
Instrument	Unsecured Redeemable Non-Convertible Subordinated Bonds (Normal Tier II) in the nature of Promissory Notes
Issue Size	Rs. 300 crores including green shoe option
Minimum Application	1 Bond and in multiples of 1 Bond thereafter
Tenure	10 year 7 months Normal Tier 2
Credit Rating	'AA-' by CRISIL
Coupon Rate (% p.a) *	11.20% p.a.
Interest Payment	Annually on 31st March
Redemption / Maturity	At par at the end of 10th year 7 months from the Deemed Date of Allotment
Put & Call	No Put and call option
Face Value	Rs.10,00,000/- per Bond
Issue Price	At par (i.e. Rs.10,00,000/- per Bond)
Instrument Form	In Dematerialised Form only
Trading	Demat Mode only
Depository	The Bank will enter into a tripartite agreement with NSDL and CDSL for dematerialization of bonds and will be opening the accounts with NSDL and CDSL
Security	Un-secured
Settlement by Way of	Cheque (Normal / High Value) / RTGS / Funds Transfer
Issue opens on	September 29th, 2008
Issue closes on	September 30th, 2008
Pay In Date	On the date of application
Deemed Date of Allotment	September 30th, 2008
Listing	Proposed on the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Limited (NSE)
Trustee	IDBI Trusteeship Services Limited has been appointed by the Bank to act as Trustees for and on behalf of the holder(s) of the Bonds.
Interest on Application Money *	At the coupon rate (i.e.@ 11.20%p.a.) from the date of realization of cheque(s)/demand draft(s) up to one day prior to the Deemed Date of Allotment.

Series XI

Summary Term Sheet

Issuer	Dena Bank
Instrument	Unsecured Redeemable Non-Convertible Subordinated Bonds (Lower Tier II) in the nature of Promissory Notes
Issue Size	Rs. 200 crores
Minimum Application	1 Bond and in multiples of 1 Bond thereafter
Tenure	120 months Lower Tier 2

Credit Rating	'AA-' Stable by CRISIL 'AA-' by CARE
Coupon Rate (% p.a) *	9.50% p.a.
Interest Payment	Annually from Deemed Date of Allotment
Redemption / Maturity	At par at the end of 120 months from the Deemed Date of Allotment
Put & Call	No Put and call option
Face Value	Rs.10,00,000/- per Bond
Issue Price	At par (i.e. Rs.10,00,000/- per Bond)
Instrument Form	In Dematerialised Form only
Trading	Demat Mode only
Depository	The Bank will enter into a tripartite agreement with NSDL and CDSL for dematerialization of bonds and will be opening the accounts with NSDL and CDSL
Security	Un-secured
Settlement by Way of	Cheque (Normal / High Value) / RTGS / Funds Transfer
Issue opens on	January 27, 2009
Issue closes on	January 27, 2009
Pay In Date	On the date of application
Deemed Date of Allotment	January 29, 2009
Listing	Proposed on the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Limited (NSE)
Trustee	IDBI Trusteeship Services Limited has been appointed by the Bank to act as Trustees for and on behalf of the holder(s) of the Bonds.
Interest on Application Money	At the coupon rate (i.e.@ 9.50%p.a.) from the date of realization of cheque(s) / demand draft(s) upto one day prior to the Deemed Date of Allotment.

Series XII

Summary Term Sheet

Issuer	Dena Bank
Issue Size	Rs. 500 crore with a green shoe option to retain additional subscription of Rs.350 crore.
Issue Objects	Augmenting Tier II Capital for strengthening the Capital Adequacy and enhancing long term resources of the Bank.
Instrument	Unsecured Redeemable Non-Convertible Subordinated Lower Tier II Bonds (Series – XII) in the nature of Promissory Notes ("Bonds")
Nomenclature	Dena Bank Lower Tier II Bonds Series XII
Issuance / Trading	In Dematerialised Form
Credit Rating	"CRISIL AA+ / Stable" by CRISIL and "CRISIL AA+" by CARE
Security	Unsecured
Face Value	Rs.10,00,000/- per Bond
Issue Price	At par (i.e. Rs.10,00,000/- per Bond)
Redemption Price	At par (i.e. Rs.10,00,000/- per Bond)
Minimum Subscription	5 Bonds and in multiples of 1 Bond thereafter
Tenure	15 Years (180 months)
Put Option	None
Call Option	Call option may be exercised by the Bank after the instrument has run for at least 10 years and such call option may be exercised by the Bank only with the prior approval of RBI (Department of Banking Operations & Development)
Redemption / Maturity	At par at the end of 15 Years (180 months) from the Deemed Date of Allotment (with prior approval from RBI). The Bonds shall be free of restrictive clauses and not redeemable at the initiative of the holder or without the consent of the RBI
Coupon / Interest Rate	9.23% p.a.
Interest Payment	Annual
Interest Payment Date	On April 01, every year.
Listing	Proposed on the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Limited (NSE)
Trustee	AllBank Finance Ltd.
Depository	National Securities Depository Ltd. and Central Depository Services (India) Ltd.
Record Date	15 days (or any such period as may be SEBI / Stock Exchange / any other concerned regulatory authority) prior to each interest payment date, call option due date and redemption date
Registrars	Sharepro Services (India) Pvt. Ltd.
Bankers to the Issue	Dena Bank, Capital Market Branch, Mumbai
Interest on Application Money	At the coupon rate (i.e.@ 9.23%p.a.) from the date of realization of application money through RTGS upto one day prior to the Deemed Date of Allotment.

Settlement	Payment of interest and repayment of principal shall be made by cheque(s)/redemption warrants(s) / demand draft(s) / credit through electronic mode (NEFT /RTGS)
Mode of Subscription	Electronic transfer of funds through RTGS mechanism for credit in the Account of " Dena Bank ", Account No. "111511023771", Branch: " Capital Market Branch", IFSC Code:"BKDNO401115"
Issue Opening Date ^	18th June , 2012
Issue Closing Date^	22nd June , 2012
Pay In Date ^	18th June , 2012 to 22nd June , 2012
Deemed Date of Allotment ^	25th June , 2012

^ The Bank reserves its sole and absolute right to modify (pre-pone / postpone) the issue opening / closing / pay-in date(s) without giving any reasons or prior notice. In such a case, investors shall be intimated about the revised time schedule by the Bank. The Bank also reserves the right to keep multiple Deemed Date(s) of Allotment at its sole and absolute discretion without any notice.

Series XIII Tier II Bonds

TERM SHEET: ISSUE DETAILS

Issuer	**DENA BANK *(the "Bank"/ the "Issuer")***
Type of Instrument	Unsecured
Instrument	Non-Convertible Redeemable Unsecured Basel III compliant Tier 2 Bonds (Series XIII) in the nature of Debentures ("Bonds")
Convertibility	Non-Convertible
Bond Series	XIII
Security Name	Dena Bank Tier II Bonds Issue Series XIII
Nature and status of Bonds	Claims of the Bondholders shall be (i) senior to the claims of investors in instruments eligible for inclusion in Tier 1 capital (ii) subordinate to the claims of all depositors and general creditors of the Bank and (iii) the Bonds shall neither be secured nor covered by a guarantee of the Issuer or its related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis creditors of the Bank
Objects of the Issue	Augmenting Tier 2 Capital and overall capital of the Bank for strengthening its capital adequacy and for enhancing its long-term resources
Details of the utilization of the Proceeds	The proceeds of the issue would be utilized to meet the object of the issue.
Mode of Issue	Private Placement
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	Proposed on the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Ltd. **('NSE')**
Issue Size	780 Crores
Option to retain oversubscription	Not Applicable
Credit Rating	**"CARE AA+"** *(Pronounced Double A Plus)* by **CARE**
Coupon Rate	9.86%
Coupon Payment Frequency	Annual
Coupon Type	Fixed
Coupon payment dates	The coupon/ interest payment date shall be the date of allotment i.e 26th February of every financial year. The last interest payment shall be made on the Redemption Date.
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	Not Applicable
Day Count Basis	Actual/ Actual *(as per SEBI Circular no CIR/IMD/DF/18/2013 dated 29th Oct 2013)*
Step Up/Step Down Coupon Rate	Not Applicable
Interest on Application Money	Interest at the respective coupon rate (subject to deduction of Income Tax under the Provisions of the Income Tax Act 1961, or any Statutory modification or reenactment as applicable) will be paid to all the applicants on the Application Money for the Bonds. Such interest shall be paid from the date of realization of cheque (s)/Demand Draft (s) and in case of RTGS/other means of electronic transfer interest shall be paid from the date of receipt of funds to one day prior to the Deemed Date of Allotment. The interest on Application Money will be computed as per Actual/Actual Day count convention. Such interest would be paid on all the valid applications including the refunds. Where the entire subscription amount has been refunded, the interest on Application Money will be paid along with the refund orders. Where an applicant is allotted lesser number of bonds than applied for, the excess amount paid on application will be refunded to the applicant along with the interest on refunded money. Income Tax at Source (TDS) will be deducted at the applicable rate on interest on Application Money.

BASEL III DISCLOSURES

Default Interest Rate	Not Applicable
Loss Absorbency	The Bonds shall be subjected to loss absorbency features applicable for non-equity capital instruments vide RBI Master Circular No. DBOD.No.BP.BC.2 /21.06.201/2013-14 dated July 01, 2013 on Basel III capital regulations covering criteria for inclusion of debt capital instruments as Tier 2 capital (Annex 5) and minimum requirements to ensure loss absorbency of additional Tier 1 instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the Point of Non-viability ("PONV") (Annex 16). Accordingly, the Bonds may at the option of the RBI either be permanently written off or temporarily written off on the occurrence of the trigger event called the Point of Non Viability. PONV trigger event shall be as defined in the aforesaid RBI Circular and shall be determined by the RBI.
Treatment in Bankruptcy/ Liquidation	The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation
PONV Trigger	The Bonds, at the option of the Reserve Bank of India, can be temporarily written down or permanently written off upon occurrence of the trigger event, called the 'Point of Non-Viability Trigger ("PONV Trigger"). **The PONV Trigger event is the earlier of:** a. A decision that a temporary/ permanent write off is necessary without which the Bank would become non viable, as determined by the RBI; and b. The decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non viable, as determined by the relevant authority. The write-off consequent upon the trigger event shall occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted. For this purpose, a non-viable bank will be: A bank which, owing to its financial and other difficulties, may no longer remain a going concern on its own in the opinion of the Reserve Bank of India unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by a bank should be such that these are likely to result in financial losses and raising the Common Equity Tier 1 capital of the bank should be considered as the most appropriate way to prevent the bank from turning non-viable. Such measures would include temporary and/ or permanent write-off in combination with or without other measures as considered appropriate by the Reserve Bank of India. A bank facing financial difficulties and approaching a PONV shall be deemed to achieve viability if within a reasonable time in the opinion of RBI; it will be able to come out of the present difficulties if appropriate measures are taken to revive it. The measures including temporary/ permanent write-off/ public sector injection of funds are likely to: a. Restore confidence of the depositors/ investors; b. Improve rating/ creditworthiness of the bank and thereby improving its borrowing capacity and liquidity and reduce cost of funds; and c. Augment the resource base to fund balance sheet growth in the case of fresh injection of funds.
Tenor	10 Years from the Deemed Date of Allotment
Redemption / Maturity Date(s)	26/02/2024
Redemption Amount	At par Rs.10,00,000/- (Rupees Ten Lakhs) per Bond.
Redemption Premium /Discount	Not Applicable
Face Value	Rs. 10,00,000/- (Rupees Ten Lakhs) per Bond.
Premium/ Discount on issue	Not Applicable
Issue Price	At par Rs.10,00,000/- (Rupees Ten Lakhs) per Bond.
Minimum Application and in multiples of Debt securities thereafter	**1** Bond and in multiples of **1** Bond thereafter
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Discount at which security is issued and the effective yield as a result of such discount.	Not Applicable
Put option Date	Not Applicable
Put option Price	Not Applicable
Call Option Date	Not Applicable
Call Option Price	Not Applicable
Put Notification Time	Not Applicable
Call Notification Time	Not Applicable
Lock-in-Period	Not Applicable
Basis of Allotment (if any)	The issuer reserves the right to reject any/all applications fully or partially at its sole discretion, without assigning any reason whatsoever.

Business Day Convention	Business Day' shall be a day on which commercial banks are open for business in the city of Mumbai. 1. If any interest payment date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for business in the city of Mumbai), then the payment of interest will be made on the next day i.e. a Business Day with interest for the intervening period. 2. In case if the principal redemption date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for Business in Mumbai), then the payment due shall be made on previous working day. Payment of interest and/or principal amount shall be without liability for making payment of interest for the delayed period.
Record Date	Reference date for payment of interest/ repayment of principal which shall be the date falling 15 days prior to the relevant Interest Payment Date on which interest or the Redemption/ Maturity Date on which the Maturity Amount is due and payable. In the event the Record Date falls on a day which is not a business day, the next business day will be considered as the Record Date.
Settlement mode of the Instrument	Payment of interest and repayment of principal shall be made by way of credit through direct credit/ NECS/ RTGS/ NEFT mechanism.
Depository	National Securities Depository Limited (NSDL)and Central Depository Services (India) Limited (CDSL)
Security (where applicable)	The Bonds are unsecured in nature.
Transaction Documents	The Issuer has executed/shall execute the documents including but not limited to the following in connection with the issue: 1. Letter appointing Trustees to the Bond Holders. 2. Bond/Debenture Trusteeship agreement; 3. Rating agreement with CARE Limited; 4.Tripartite agreement between the Issuer, Registrar and NSDL for issue of Bonds in dematerialized form; 5.Tripartite agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form; 6. Letter appointing Registrar and agreement entered into between the Issuer and the Registrar. 7. Letter appointing Arranger(s) to the issue. 8. Listing Agreement with NSE.
Conditions precedent to subscription of Bonds	The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following: 1. Rating letter(s) from the aforesaid rating agencies not being more than one month old from the issue opening date; 2. Letter from the Trustees conveying their consent to act as Trustees for the Bondholder(s); 3. Letter to NSE for seeking its In-principle approval for listing and trading of Bonds.
Conditions subsequent to subscription of Bonds	The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Disclosure Document: 1. Credit of demat account(s) of the allottee(s) by number of Bonds allotted within 2 working days from the Deemed Date of Allotment; 2. Making listing application to NSE within 15 days from the Deemed Date of Allotment of Bonds and seeking listing permission within 20 days from the Deemed Date of Allotment of Bonds in pursuance of SEBI Debt Regulations; In terms of sub-section (1) of Section 73 of the Companies Act, 1956 (1 of 1956). 3. Neither the Bank nor any related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards) shall purchase the Bonds, nor would the Bank directly or indirectly fund the purchase of the Bonds. The Bank shall also not grant advances against the security of the Bonds issued by it. 4. Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Disclosure Document.
Additional Covenants	**Delay in Listing:** The Issuer shall complete all formalities and seek listing permission within 15 days from the Deemed Date of Allotment. In the event of delay in listing of Bonds beyond 20 days from the Deemed Date of Allotment, the Issuer shall pay penal interest of 1.00% per annum over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of Bonds to the Bondholder(s). **Refusal of Listing:** If listing permission is refused before the expiry of the 20 days from the Deemed Date of Allotment, the Issuer shall forthwith repay all monies received from the applicants in pursuance of the Disclosure Document along with penal interest of 1.00% per annum over the Coupon Rate from the expiry of 20 days from the Deemed Date of Allotment. If such monies are not repaid within 8 days after the Issuer becomes liable to repay it (i.e. from the date of refusal or 20 days from the Deemed Date of Allotment, whichever is earlier), then the Issuer and every director of the Issuer who is an officer in default shall, on and from the expiry of 8 days, will be jointly and severally liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under Section 73 of the Companies Act, 1956.
Cross Default	Not Applicable

Role and Responsibilities of Debenture Trustee	The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustees. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trusteeship Agreement, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty. The Trustees shall be vested with the requisite powers for protecting the interest of holder(s) of the Bonds including but not limited to the right to appoint a nominee director on the Board of the Issuer in consultation with institutional holders of such Bonds. The Trustees shall ensure disclosure of all material events on an ongoing basis. The Issuer shall, till the redemption of Bonds, submit its latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information such as Statement of Profit & Loss, Balance Sheet and Cash Flow Statement and auditor qualifications, if any, to the Trustees within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended. Besides, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustees and the Trustees shall be obliged to share the details so submitted with all 'Qualified Institutional Buyers' (QIBs) within two working days of their specific request.
Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of District Courts of Mumbai, Maharashtra.
Applicable RBI Guidelines	The present issue of Bonds is being made in pursuance of Master Circular No. DBOD.No.BP.BC.2 /21.06.201/2013-14 dated July 01, 2013 issued by the Reserve Bank of India on Basel III capital regulations covering criteria for inclusion of debt capital instruments as Tier 2 capital (Annex 5) and minimum requirements to ensure loss absorbency of additional Tier 1 instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the PONV (Annex 16).
Prohibition on Purchase/ Funding of Bonds	Neither the Bank nor a related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards) shall purchase the Bonds, nor shall the Bank directly or indirectly fund the purchase of the Bonds. The Bank shall also not grant advances against the security of the Bonds issued by it.
Trustees	M/s. All Bank Finance Limited.
Registrar	M/s. Sharepro Services (India) Pvt. Ltd.
Eligible Investors	Mutual Funds, Public Financial Institutions as defined in section 2 (72) of the Companies Act, 2013, Scheduled Commercial Banks, Insurance Companies, Foreign Institutional Investors (subject to compliance with the SEBI/ RBI norms), Provident Funds, Gratuity Funds, Superannuation Funds and Pension Funds, Cooperative Banks, Regional Rural Banks authorized to invest in bonds/ debentures, Companies and Bodies Corporate authorized to invest in bonds/ debentures, Societies authorized to invest in bonds/ debentures, Trusts authorized to invest in bonds/ debentures, Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures, Resident Individual Investors. etc.
Non- Eligible classes of investors	Qualified Foreign Investors, Foreign Nationals, Persons resident outside India, Venture Capital Funds, Alternative Investment Funds, Overseas Corporate Bodies, Partnership firms formed under applicable laws in India in the name of the partners, Hindu Undivided Families through Karta, Person ineligible to contract under applicable statutory/ regulatory requirements etc.
Payment Mode	The remittance of application money can be made through Electronic transfer of funds through RTGS mechanism for credit as per details given hereunder:
	Collection Banker: **DENA BANK**
	Beneficiary A/c Name: **Dena Bank Tier II Bonds Issue Series XIII**
	Beneficiary A/c Number: **111511023905**
	IFSC Code: **BKDN0401115**
	Bank Branch Name & Address: CAPITAL MARKET BRANCH, DENA BANK BLDG.17, HORNIMAN CIRCLE, FORT, MUMBAI-400 023
	Narration: Application Money

Bond Series XIV

Terms of Present Placement

Security Name	Dena Bank Basel III Compliant Tier II Bonds Issue Series XIV
Issuer	DENA BANK (the "Bank"/ the "Issuer")
Issue Size	Rs. 400 Crores [Rs. Four Hundred Crore]
Bond Series	XIV
Type of Instrument	Unsecured, Non-Convertible, Taxable, Redeemable Basel III Compliant Tier 2 Bonds (Series XIV) for inclusion in Tier II Capital in the nature of Debentures ("Bonds").
Convertibility	Non-Convertible

Objects of the Issue	Augmenting Tier 2 Capital and overall capital of the Bank for strengthening its capital adequacy and for enhancing its long-term resources.
Details of the utilization of the Proceeds	The proceeds of the issue would be utilized to meet the object of the issue.
Nature and status of Bonds	The Bonds are neither secured nor covered by a guarantee of the Issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim of the holders of the Bonds (the “Bondholders”) vis- à-vis other creditors of the Issuer. Bondholders will not be entitled to receive notice of or attend or vote at any meeting of shareholders of the Issuer or participate in the management of the Issuer.
Seniority of Instrument/Claim	The claims of the Bondholders in respect of Bonds, shall be : i. senior to claims of investors in instruments eligible for inclusion in Tier 1 capital; ii. subordinate to the claims of all depositors and general creditors of the bank ; and iii. neither secured nor covered by a guarantee of the issuer or related entity or other arrangement that legally or economically enhances the seniority of claims vis-à-vis bank creditors. The Bondholder shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation. The claims of bondholders shall be subject to provisions mentioned in the "Point of Non viability" (PONV) in the term sheet.
Mode of Issue	Private Placement
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	Proposed on the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Ltd. (‘NSE’)
Option to retain oversubscription	Not Applicable
Credit Rating	“CARE AA-” (Pronounced Double A Minus) by CARE
Security	The Bonds are unsecured in nature.
Coupon Rate	8.76
Coupon Payment Frequency	Annual
Coupon Type	Fixed
Coupon payment dates	The coupon/ interest payment date shall be the date of allotment i.e 20th September every financial year till maturity/redemption/ call option and subject to ”PONV” mentioned below..
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	Not Applicable
Settlement mode of the Instrument	Payment of interest and repayment of principal shall be made by way of credit through direct credit/ NECS/ RTGS/ NEFT mechanism.
Step Up/Step Down Coupon Rate	Not Applicable
Day Count Basis /computation of Interest	Actual/ Actual (as per SEBI Circular no CIR/IMD/DF/18/2013 dated 29th Oct 2013)
Interest on Application Money*	Interest at the respective coupon rate (subject to deduction of Income Tax under the Provisions of the Income Tax Act 1961, or any Statutory modification or reenactment as applicable) will be paid to all the applicants on the Application Money for the Bonds. Such interest shall be paid from the date of realization of cheque (s)/Demand Draft (s) and in case of RTGS/other means of electronic transfer interest shall be paid from the date of receipt of funds to one day prior to the Deemed Date of Allotment. The interest on Application Money will be computed as per Actual/Actual Day count convention. Such interest would be paid on all the valid applications including the refunds. Where the entire subscription amount has been refunded, the interest on Application Money will be paid along with the refund orders. Where an applicant is allotted lesser number of bonds than applied for, the excess amount paid on application will be refunded to the applicant along with the interest on refunded money. Income Tax at Source (TDS) will be deducted at the applicable rate on interest on Application Money.
Default Interest Rate	Not Applicable
Loss Absorbency	The Bonds shall be subjected to loss absorbency features applicable for non-equity capital instruments vide RBI Master Circular No. DBOD.No.BP.BC.1 /21.06.201/2015-16 dated July 01, 2015 on Basel III capital regulations covering criteria for inclusion of debt capital instruments as Tier 2 capital (Annex 5) and minimum requirements to ensure loss absorbency of additional Tier 1 instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the Point of Non-viability (“PONV”) (Annex 16). Accordingly, the Bonds may at the option of the RBI be written off upon the occurrence of the trigger event called the ‘Point of Non Viability’ (PONV). PONV trigger event shall be as defined in the aforesaid RBI Circular and shall be determined by the RBI.

BASEL III DISCLOSURES

b) Loss Absorption at Point of Non-Viability (PONV)	1. If a PONV Trigger Event (as described below) occurs, the Issuer shall: (i) notify the Trustee; (ii) cancel any coupon which is accrued and unpaid on the Bonds as on the write-off date; and (iii) Without the need for the consent of Bondholders or the Trustee, write-off of the outstanding principal of the Bonds by such amount as may be prescribed by RBI ("PONV Write off Amount") and as is otherwise required by the RBI at the relevant time. A write-off may occur on more than one occasion. Once the principal of the Bonds have been written off pursuant to PONV Trigger Event, the PONV Write-off Amount will not be restored in any circumstances, including where the PONV Trigger Event has ceased to continue. 2. Write off for PONV means full and permanent write off. 3. These instruments, at the option of the Reserve Bank of India will be written off upon the occurrence of the trigger event, called the 'Point of Non-Viability (PONV) Trigger' stipulated below: (i) The PONV Trigger event is the earlier of: a. a decision that full permanent write-off, without which the Bank would become non-viable, is necessary, as determined by the Reserve Bank of India; and b. the decision to make a public sector injection of capital, or equivalent support, without which the Bank would become non-viable, as determined by the relevant authority. The Write-off of any Common Equity Tier 1 capital will not be required before the write-off of these instruments. (ii) Such a decision would invariably imply that the write-off consequent upon the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted. (iv) No compensation will be paid to these Instrument holders in case of full and permanent write-off. 4. For the purpose of the above, a non-viable bank will be: A bank which, owing to its financial and other difficulties, may no longer remain a going concern on its own in the opinion of the Reserve Bank unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by a bank should be such that these are likely to result in financial losses and raising the Common Equity Tier 1 capital of the bank should be considered as the most appropriate way to prevent the bank from turning non-viable. Such measures would include write-off in combination with or without other measures as considered appropriate by the Reserve Bank. 5. Bank facing financial difficulties and approaching PONV will be deemed to achieve viability if within a reasonable time in the opinion of Reserve Bank, it will be able to come out of the present difficulties if appropriate measures are taken to revive it. The measures including augmentation of equity capital through write-off /public sector injection of funds are likely to: (a) Restore depositors'/investors' confidence; (b) Improve rating /creditworthiness of the bank and thereby improve its borrowing capacity and liquidity and reduce cost of funds; and (c) Augment the resource base to fund balance sheet growth in the case of fresh injection of funds. 6. The amount of non-equity capital to be written-off will be determined by RBI. 7. When Bank breaches the PONV trigger and the equity is replenished through write-off, such replenished amount of equity will be excluded from the total equity of the bank for the purpose of determining the proportion of earnings to be paid out as dividend in terms of rules laid down for maintaining capital conservation buffer. However, once the bank has attained total Common Equity ratio of 8% without counting the replenished equity capital, that point onwards, the bank may include the replenished equity capital for all purposes. 8. Criteria to Determine the PONV When the bank is adjudged by Reserve Bank of India to be approaching the PONV trigger event, or has already reached the PONV, but in the views of RBI: a) there is a possibility that a timely intervention in form of capital support, with or without other supporting interventions, is likely to rescue the bank; and b) if left unattended, the weaknesses would inflict financial losses on the bank and, thus, cause decline in its common equity level. 9. The purpose of write-off of these Instruments will be to shore up the capital level of the Bank. RBI would follow a two-stage approach to determine the non-viability of Bank as under: The Stage 1 assessment would consist of purely objective and quantifiable criteria to indicate that there is a prima facie case of a bank approaching non-viability and, therefore, a closer examination of the bank's financial situation is warranted. The Stage 2 assessment would consist of supplementary subjective criteria which, in conjunction with the Stage 1 information, would help in determining whether the bank is about to become non-viable. These criteria would be evaluated together and not in isolation.

	10. Once the PONV is confirmed, the next step would be to decide whether rescue of the bank would be through write-off alone or write-off in conjunction with a public sector injection of funds. 11. The trigger at PONV will be evaluated both at consolidated and solo level and breach at either level will trigger write-off. 12. As the capital adequacy is applicable both at solo and consolidated levels, the minority interests in respect of capital instruments issued by subsidiaries of banks including overseas subsidiaries can be included in the consolidated capital of the banking group only if these instruments have pre-specified triggers (in case of AT1 capital instruments) / loss absorbency at the PONV (for all non-common equity capital instruments). In addition, where a bank wishes the instrument issued by its subsidiary to be included in the consolidated group's capital in addition to its solo capital, the terms and conditions of that instrument must specify an additional trigger event. This additional trigger event is the earlier of: (1) a decision that a write-off, without which the Bank or the subsidiary would become non-viable, is necessary, as determined by the Reserve Bank of India; and (2) the decision to make a public sector injection of capital, or equivalent support, without which the Bank or the subsidiary would become non-viable, as determined by the Reserve Bank of India. Such a decision would invariably imply that the write-off consequent upon the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted. 13. In such cases, the subsidiary would obtain its regulator's approval/no-objection for allowing the capital instrument to be written-off at the additional trigger point referred to in paragraph above. 14. If Bank goes into liquidation before these Bonds have been written-off, these instruments will absorb losses in accordance with the order of seniority indicated in clause 8 of this term sheet and as per usual legal provisions governing priority of charges. 15. If Bank goes into liquidation after these Bonds instruments have been written-off, the holders of these instruments will have no claim on the proceeds of liquidation. (a) Amalgamation of a banking company: (Section 44 A of BR Act, 1949) 16. If Bank is amalgamated with any other bank before these Bonds have been written-off, these instruments will become part of the corresponding categories of regulatory capital of the new bank emerging after the merger. 17. If Bank is amalgamated with any other bank after these instruments have been written-off permanently, these cannot be written-up by the amalgamated entity. (b) Scheme of reconstitution or amalgamation of a banking company: (Section 45 of BR Act, 1949) 18. If the relevant authorities decide to reconstitute Bank or amalgamate Bank with any other Bank under the Section 45 of BR Act, 1949, such a Bank will be deemed as non-viable or approaching non-viability and both the pre-specified trigger and the trigger at the point of non-viability write off of these instruments will be activated. Accordingly, these instruments will be fully written-off permanently before amalgamation / reconstitution in accordance with these rules.
Decision to Write off	The decision of write- off shall be exercised across all investors of this Instrument;
Treatment in Bankruptcy/ Liquidation	The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation
Tenor	10 Years from the Deemed Date of Allotment
Redemption / Maturity Date(s)	10 Years from the Deemed Date of Allotment
Redemption Amount	At par Rs.10,00,000/- (Rupees Ten Lakhs) per Bond.
Redemption Premium /Discount	Not Applicable
Face Value	Rs. 10,00,000/- (Rupees Ten Lakhs) per Bond.
Issue Price	At par Rs.10,00,000/- (Rupees Ten Lakhs) per Bond.
Premium/ Discount on issue	Not Applicable
Discount at which security is issued and the effective yield as a result of such discount.	Not Applicable
Minimum Application and in multiples of Debt securities thereafter	10 Bonds and in multiple(s) of 1 Bond thereafter
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Basis of Allotment (if any)	The issuer reserves the right to reject any/all applications fully or partially at its sole discretion, without assigning any reason whatsoever.
Put option	No Put Option available.
Call Option	No Call Option available.
Call Option Price	Not Applicable
Call Notification Time	Not Applicable
Lock-in-Period	Not Applicable

Record Date	Reference date for payment of interest/ repayment of principal which shall be the date falling 15 days prior to the relevant Interest Payment Date on which interest or the Redemption/ Maturity Date on which the Maturity Amount is due and payable. In the event the Record Date falls on a day which is not a business day, the next business day will be considered as the Record Date.
Business Day Convention	Business Day' shall be a day on which commercial banks are open for business in the city of Mumbai. 1. If any interest payment date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for business in the city of Mumbai), then the payment of interest will be made on the next day i.e. a Business Day with interest for the intervening period. 2. In case if the principal redemption date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for Business in Mumbai), then the payment due shall be made on previous working day. Payment of interest and/or principal amount shall be without liability for making payment of interest for the delayed period.
Transaction Documents	The Issuer has executed/shall execute the documents including but not limited to the following in connection with the issue: 1. Letter appointing Trustees to the Bond Holders. 2. Bond/Debenture Trusteeship agreement; 3. Bond/Debenture Trustee Deed; 4. Rating agreement with CARE Limited; 5. Tripartite agreement between the Issuer, Registrar and NSDL for issue of Bonds in dematerialized form; 6. Tripartite agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form; 7. Letter appointing Registrar and agreement entered into between the Issuer and the Registrar; 8. Listing Agreement with NSE; 9. Disclosure Document dated 16-09-2016
Conditions precedent to subscription of Bonds	The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following: 1. Rating letter(s) from the aforesaid rating agencies not being more than one month old from the issue opening date; 2. Letter from the Trustees conveying their consent to act as Trustees for the Bondholder(s); 3. Letter to NSE for seeking its In-principle approval for listing and trading of Bonds.
Conditions subsequent to subscription of Bonds	The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Disclosure Document: 1. Credit of demat account(s) of the allottee(s) by number of Bonds allotted within 2 working days from the Deemed Date of Allotment; 2. Making listing application to NSE within 15 days from the Deemed Date of Allotment of Bonds and seeking listing permission within 20 days from the Deemed Date of Allotment of Bonds in pursuance of SEBI Debt Regulations; 3. Neither the Bank nor any related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards) shall purchase the Bonds, nor would the Bank directly or indirectly fund the purchase of the Bonds. The Bank shall also not grant advances against the security of the Bonds issued by it. 4. Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Disclosure Document.
Additional Covenants	Delay in Listing: The Issuer shall complete all formalities and seek listing permission within 15 days from the Deemed Date of Allotment. In the event of delay in listing of Bonds beyond 20 days from the Deemed Date of Allotment, the Issuer shall pay, penal interest of 1.00% per annum over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of Bonds, to the Bondholder(s). Default in Payment: In case of default in payment of Interest and /or principal redemption on the due dates, additional interest of atleast @2% p.a. over the coupon rate will be payable by the Bank for the defaulting period. Refusal of Listing: If listing permission is refused before the expiry of the 20 days from the Deemed Date of Allotment, the Issuer shall forthwith repay all monies received from the applicants in pursuance of the Disclosure Document along with penal interest of 1.00% per annum over the Coupon Rate from the expiry of 20 days from the Deemed Date of Allotment. If such monies are not repaid within 8 days after the Issuer becomes liable to repay it (i.e. from the date of refusal or 20 days from the Deemed Date of Allotment, whichever is earlier), then the Issuer and every director of the Issuer who is an officer in default shall, on and from the expiry of 8 days, will be jointly and severally liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under Section 73 of the Companies Act, 1956.
Cross Default	Not Applicable
Event of Default	Default on the part of the Bank to forthwith satisfy all or any part of payments in relation to the Bonds when it becomes due (i.e. making payment of any instalment of interest or repayment of principal amount of the Bonds on the respective due dates) except in case of "PONV" mentioned above or due to any regulatory requirements prescribed under Applicable RBI Regulations or by Government of India or by any Statutory Authority, shall constitute an Event of Default for the purpose of the Issue.

BASEL III DISCLOSURES

OTHER GENERAL TERMS	
Eligible Investors	1. Mutual Funds; 2. Public Financial Institutions as defined in the Companies Act, 2013; 3. Scheduled Commercial Banks; 4. Insurance Companies; 5. Foreign Institutional Investors (subject to compliance with the SEBI/ RBI norms); 6. Provident Funds, Gratuity Funds, Superannuation Funds and Pension Funds; 7. Cooperative Banks; 8. Regional Rural Banks authorized to invest in bonds/ debentures; 9. Companies and Bodies Corporate authorized to invest in bonds/ debentures; 10. Limited Liability Partnership 11. Societies authorized to invest in bonds/ debentures; 12. Trusts authorized to invest in bonds/ debentures; 13. Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures; 14. National Investment Fund set up by resolution no F. No 2/3/2005-DDII dated Nov 23, 2005 of the Government of India published in Gazette of India. 15. Insurance funds set up and managed by Army, Navy or Airforce of the Union of India. This issue is restricted only to the above class of investors. The potential investors are required to independently verify their eligibility to subscribe to the bonds on the basis of norms / guidelines / parameters laid by their respective regulatory body including but not limited to RBI, SEBI, IRDA, Government of India, Ministry of Finance, Ministry of Labour etc. and be guided by applicable RBI guidelines.
Non- Eligible classes of investors	Qualified Foreign Investors, Foreign Nationals, Persons resident outside India, Venture Capital Funds, Alternative Investment Funds, Overseas Corporate Bodies, Partnership firms formed under applicable laws in India in the name of the partners, Hindu Undivided Families through Karta, Person ineligible to contract under applicable statutory/ regulatory requirements etc.
Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of District Courts of Mumbai, Maharashtra.
Applicable RBI Guidelines	The present issue of Bonds is being made in pursuance of Master Circular No. DBOD.No.BP.BC.1 /21.06.201/2015-16 dated July 01, 2015 issued by the Reserve Bank of India on Basel III capital regulations covering criteria for inclusion of debt capital instruments as Tier 2 capital (Annex 5) and minimum requirements to ensure loss absorbency of additional Tier 1 instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the PONV (Annex 16) .
Prohibition on Purchase/ Funding of Bonds	Neither the Bank nor a related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards) shall purchase the Bonds, nor shall the Bank directly or indirectly fund the purchase of the Bonds. The Bank shall also not grant advances against the security of the Bonds issued by it.
Reporting of Non-payment of Coupons	All instances of non-payment of coupon shall be notified by the Bank to the Chief General Managers-in-Charge of Department of Banking Regulations and Department of Banking Supervision of the Reserve Bank of India, Mumbai.
Trustees	M/s. CENT BANK Financial Service Ltd
Role and Responsibilities of Trustee	The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustees. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trusteeship Agreement, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty. The Trustees shall be vested with the requisite powers for protecting the interest of holder(s) of the Bonds including but not limited to the right to appoint a nominee director on the Board of the Issuer in consultation with institutional holders of such Bonds. The Trustees shall ensure disclosure of all material events on an ongoing basis. The Issuer shall, till the redemption of Bonds, submit its latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information such as Statement of Profit & Loss, Balance Sheet and Cash Flow Statement and auditor qualifications, if any, to the Trustees within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended. Besides, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustees and the Trustees shall be obliged to share the details so submitted with all 'Qualified Institutional Buyers' (QIBs) within two working days of their specific request.
Depository	National Securities Depository Limited (NSDL)and Central Depository Services (India) Limited (CDSL)
Registrar	M/s. Link Intime India Pvt Ltd.
Regulatory guidelines	The terms of the proposed issue are intended to be consistent with guidelines of RBI. Hence, in case of any doubt/ discrepancy, the applicable RBI guidelines will prevail.

Electronic book mechanism for issuance of debt securities on private placement basis	SEBI vide its circular No. CIR/IMD/DF1/48/2016 dated April 21, 2016 has made electronic book mechanism mandatory for all private placements of debt securities in primary market with an issue size of Rs.500 crores and above, inclusive of green shoe option, if any. However, the following issuers have an option to follow either electronic book mechanism or the existing mechanism:- a. issues with a single investor and where coupon rate are fixed. However arrangers acting as underwriters shall not be considered as single investors. b. issues wherein the issue size is less than Rs. 500 crores, inclusive of green shoe option, if any. Since the present Issue is less than Rs. 500 crores , it will be through the existing mechanism.
Payment Mode	The remittance of application money can be made through Electronic transfer of funds through RTGS mechanism for credit as per details given hereunder:
	Collection Banker: **DENA BANK**
	Beneficiary A/c Name: **Dena Bank Tier II Bonds Issue Series XIV**
	Beneficiary A/c Number: 111511024166
	IFSC Code: **BKDN0401115**
	Bank Branch Name & Address: CAPITAL MARKET BRANCH, DENA BANK BLDG.17, HORNIMAN CIRCLE, FORT, MUMBAI-400 023
	Narration: Application Money
ISSUE SCHEDULE **:	
Issue opening date	20-09-2016
Issue closing date	20-09-2016
Pay in date	20-09-2016
Deemed date of allotment	20-09-2016

** Subject to deduction of Tax at source as applicable.*

*** The Issuer reserves its sole and absolute right to modify (pre-pone/ postpone) the above issue schedule without giving any reasons or prior notice. In such a case, investors shall be intimated about the revised time schedule by the Issuer. The Issuer also reserves the right to keep multiple Deemed Date(s) of Allotment at its sole and absolute discretion without any notice. In case if the Issue Closing Date/ Pay in Date is/are changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by the Issuer at its sole and absolute discretion. Consequent to change in Deemed Date of Allotment, the Coupon Payment Dates and/or Redemption Date may also be changed at the sole and absolute discretion of the Issuer*

Perpetual Series II

Summary Term Sheet

Issuer	Dena Bank
Issue Size	Rs.125 crores including Green Shoe Option
Issue Objects	Augmenting Tier-I Capital for strengthening the Capital Adequacy and enhancing long term resources of the Bank
Instrument	Unsecured Non-Convertible Perpetual Bonds (Innovative Perpetual Debt Instruments) (Series-II) in the nature of Promissory Notes ("Bonds")
Nomenclature	Dena Bank Perpetual Bonds Series II
Issuance / Trading	In Dematerialised Form
Credit Rating	CARE "A" by CARE and "A stable" by CRISIL
Security	Unsecured
Face Value	Rs.10,00,000/- per Bond
Issue Price	At par (Rs.10,00,000/- per Bond)
Redemption Price	Perpetual – Not Applicable
Minimum Subscription	1 Bond and in multiples of 1 Bond thereafter
Tenure	Perpetual
Put Option	None
Call Option	# At par at the end of 10th year from Deemed Date of Allotment and every year thereafter on each anniversary date (subject to prior approval from RBI)
Redemption / Maturity	Perpetual
Redemption Date	Perpetual – Not Applicable
Call Option Due Date	May 28,2019 and every year thereafter on each anniversary date (subject to prior approval from RBI)
Coupon / Interest Rate	* 9.00% p.a. for the first 10 years and step up coupon rate of 9.50% p.a. for subsequent years if Call Option is not exercised by the Bank at the end of 10th year from the Deemed Date of Allotment Note: The step-up option shall be available only once during the whole life of 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 basis points.
Interest Payment	Annual (subject to RBI norms)
Interest Payment Date	On April 01, every year (subject to RBI norms)

Lock-in-clause	The Bonds shall be subjected to a lock-in clause in terms of which, Bank shall not be liable to pay interest, if (i) the Bank's CRAR is below the minimum regulatory requirement prescribed by RBI or (ii) the impact of such payment results in Bank's capital to risk assets ratio (CRAR) falling below or remaining below the minimum regulatory requirement prescribed by RBI. However, the Bank may pay interest with prior approval of RBI when the impact of such payment may result in net loss or increase the net loss, provided the CRAR remains above the regulatory norm. Further the interest unpaid shall not be cumulative
Listing	Proposed on the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Limited (NSE)
Trustee	IDBI Trusteeship Services Ltd.
Depository	National Securities Depository Ltd. and Central Depository Services (India) Ltd.
Registrars	Sharepro Services (India) Pvt. Ltd.
Banker to the Issue	Dena Bank, Capital Market Branch, Mumbai
Interest on Application Money *	At the coupon rate applicable for the first 10 years (i.e.@ 9.00%p.a.) from the date of realization of cheque(s) / demand draft (s)/ RTGS up to but excluding the Deemed Date of Allotment. It will be paid within two working days from the Deemed Date of Allotment.
Settlement	Payment of interest and repayment of principal (Only in case of call option) shall be made by way of cheque (s)/ interest / redemption warrant(s)/demand drafts(s)/credit through RTGS /ECS system
Mode of Subscription	Through RTGS / ECS system Cheque (s)/ demand draft (s) may be drawn in favour of **"Dena Bank A/c – IPDI Issue"** and crossed **"Account Payee Only"** payable at par at designated centers mentioned elsewhere in the Disclosure Document or by way of electronic transfer of funds through RTGS mechanism for credit in the Account of **" Dena Bank "**, Account No. "111511023752", Branch: **" Capital Market Branch"**, IFSC Code:**"BKDNO401115-"**
Issue Opens on ^	May 20, 2009 (Wednesday)
Issue Closes on ^	May 26, 2009 (Tuesday)
Pay In Date ^	May 20, 2009 to May 26, 2009
Deemed Dt of Allotment ^	May 28, 2009 (Thursday)

In case of exercise of Call Option by the Bank, the Bank shall notify its intention to do so through a public notice at least in one All-India English and one regional language daily newspaper in Mumbai and/or through notice sent by registered post / courier to the sole / first Beneficial Owner of the Bonds at least 30 (thirty) day prior to the due date.

* subject to deduction of tax at source, as applicable.

^ The Bank reserves its sole and absolute right to modify (pre-pone / postpone) the issue opening / closing / pay-in date(s) without giving any reasons or prior notice. In such a case, investors shall be intimated about the revised time schedule by the bank. The Bank also reserves the right to keep multiple Deemed Date(s) of Allotment at its sole and absolute discretion without any notice.

Table DF-15: Disclosure Requirement for Remuneration

As per Guidelines of Compensation of Whole Time Directors / Chief Executive Officers / Other Risk Takers issued vide circular DBOD.No. BC.72/ 29.67.001/2011-12 dated January 13,2012, this disclosure is not applicable to our Bank.

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

Qualitative Disclosure:

- In accordance with the RBI guidelines on investment classification and valuation, Investments are classified on the date of purchase into “Held for Trading” (HFT), “Available for Sale” (AFS) and “Held to Maturity” (HTM) categories. Investments which the Bank intends to hold till maturity are classified as HTM securities. In accordance with RBI guidelines, equity investments held under the HTM category are classified as banking book for capital adequacy purpose.
- Investments in equity of subsidiaries and joint ventures are required to classify under HTM category in accordance with the RBI guidelines. These are held with a strategic objective to maintain strategic relationships or for strategic business purposes.
- Investments classified under HTM category are carried at their acquisition cost and not mark to market. Any diminution, other than temporary, in the value of equity investments is provided for. Any loss on sale of investments in HTM category is recognised in the Statement of Profit and Loss. Any gain from sale of investments under HTM category is recognised in the Statement of Profit and Loss and is appropriated, net of taxes and statutory reserve, to “Capital Reserve” in accordance with the RBI Guidelines.
- As per RBI guidelines, Banks are allowed to hold investments in units of Venture Capital Fund (VCF) under Banking Book (HTM category) for initial period of 3 years and valued at cost during this period

Quantitative Disclosure:

1. **Value of Investments**

(Amount in Rs. lacs)

Investments	Value as per Balance Sheet	Fair Value	Publicly Quoted Share Values (if materially different from fair value)
Unquoted	1626.86	1565.64	Nil
Quoted	NIL	NIL	N.A

BASEL III DISCLOSURES

2. **Type and Nature of Investments**

(Amount in Rs. lacs)

Investments	Publicly Traded	Privately Held
Subsidiaries, Associate and Joint Ventures	NIL	105.00
Other Shares of PSU / Corporate, which were in the books of the bank under HTM category as on 02.09.2004 and as per RBI guidelines, can be retained as such.	NIL	0.00
Venture Capital Funds	NIL	1521.86

3. **Gain / Loss Statement**

(Amount in Rs. lacs)

Particulars	Amount
Cumulative realized gains (losses arising from sales and liquidations in the reporting period.	NIL
Total unrealized gains (losses)	NIL
Total latent revaluation gains (losses)	NIL
Any amount of the above included in Tier I and Tier II capital	NIL

Table DF-17: Summary Comparison of accounting assets vs. leverage ratio exposure measure

	Item	(₹ in Crore)
1	Total consolidated assets as per published financial statements	120859.80
2	Adjustment for investments in banking , financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(19.33)
3	Adjustments for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4	Adjustments for derivative financial instruments	648.00
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	12535.37
7	Other adjustments	(8041.41)
8	Leverage ratio exposure	125982.43

Table DF-18: Leverage ratio common disclosure template

	Leverage ratio framework	
Item		(₹ in Crore)
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	120907.82
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(4099.24)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	116808.58
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	144.00
5	Add-on amounts for PFE associated with all derivatives transactions	504.00
6	Gross-up for derivatives collateral provided where deducted from the balance sheet as sets pursuant to the operative accounting framework	0.00
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0.00
8	(Exempted CCP leg of client-cleared trade exposures)	0.00
9	Adjusted effective notional amount of written credit derivatives	0.00
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0.00
11	Total derivative exposures (sum of lines 4 to 10)	648.00
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)	0.00
14	CCR exposure for SFT assets	0.00
15	Agent transaction exposures	0.00
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	21061.22
18	(Adjustments for conversion to credit equivalent amounts)	-12535.37
19	Off-balance sheet items (sum of lines 17 and 18)	8525.85
Capital and total exposures		
20	Tier 1 capital	6425.56
21	Total exposures (sum of lines 3, 11, 16 and 19)	125982.43
22	**Basel III Leverage ratio**	5.10%

Table DF-13: Main Features of Regulatory Capital instruments

		Equity	Lower Tier II Bonds				Tier II Bonds		Tier I
Disclosures under Pillar 3 in terms of Guidelines on composition of Capital Disclosure Requirements of Reserve Bank of India - as on 31st March 2018			Series IX	Series X	Series XI	Series XII	Series XIII	Series XIV	Perpetual Series II
		1	2	3	4	5	6	7	8
Disclosure template for main features of regulatory capital instruments									
1	Issuer	DENA BANK	DENA BANK	DENA BANK	DENA BANK	DENA BANK	DENA BANK	DENA BANK	DENA BANK
2	Unique Identifier (e.g. CUSIP,ISIN or Bloomberg identifier for private placement	INE077A01010	INE077A09062	INE077A09070	INE077A09088	INE077A09104	INE077A08064	INE077A08098	INE077A09096
3	Governing law (s) of the instrument Regulatory treatment	--	--	--	--	--	--	--	--
4	Transitional Basel III rules	Tier I	Tier II	Tier II	Tier II	Tier II	Tier II	Tier II	Tier I
5	Post-transitional Basel III rules	CET I	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	AT 1
6	Eligible at solo/group/ group & solo	SOLO	SOLO	SOLO	SOLO	SOLO	SOLO	SOLO	SOLO
7	Instrument type	Common Shares	Tier II Debt Instrument	Tier II Debt Instrument	Tier II Debt Instrument	Tier II Debt Instrument	Tier II Debt Instrument	Tier II Debt Instrument	Perpetual Debt Instrument
8	Amount recognised in regulatory capital (Rs. in Crores, as of most recent reporting date)	2259.05	0	0	0	0	780.00	400.00	0
9	Par value of instrument	2259.05	106.00	300.00	200.00	850.00	780.00	400.00	125.00
10	Accounting classification	Shareholder's Equity	Liability	Liability	Liability	Liability	Liability	Liability	Liability
11	Original date of issuance	05.12.1996	25.03.2008	30.09.2008	29.01.2009	25.06.2012	26.02.2014	20.09.2016	28.05.2009
12	Perpetual or dated	Perpetual	24.05.2018	30.04.2019	29.01.2019	25.06.2027	26.02.2024	20.09.2026	Perpetual
13	Original maturity date	No maturity	24.05.2018	30.04.2019	29.01.2019	25.06.2027	26.02.2014	20.09.2026	Perpetual
14	Issuer call subject to prior supervisory approval	NO	NO	NO	NO	YES	NO	No	YES
15	Optional call date, contingent call dates and redemption amount	- NA-	- NA-	- NA-	- NA-	* 25.06.2022	-NA-	-NA-	* * 28.05.2019
16	Subsequent call dates, if applicable Coupons / dividends	- NA-	- NA-	- NA-	- NA-	- NA-	- NA-	- NA-	- NA-
17	Fixed or floating dividend/coupon	Floating	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	NA	9.25%	11.20%	9.50%	9.23%	9.86%	8.76%	9.00%
19	Existence of a dividend stopper	NA	NO	NO	NO	NO	NO	NO	NO
20	Fully discretionary, partially discretionary or mandatory	Fully Discretionary	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	NO	NO	NO	NO	NO	NO	NO	YES
22	Noncumulative or cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative
23	Convertible or non-convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible
24	If convertible, conversion trigger(s)	- NA-	- NA-	- NA-	- NA-	- NA-	- NA-	- NA-	- NA-
25	If convertible, fully or partially	- NA-	- NA-	- NA-	- NA-	- NA-	- NA-	- NA-	- NA-
26	If convertible, conversion rate	- NA-	- NA-	- NA-	- NA-	- NA-	- NA-	- NA-	- NA-
27	If convertible, mandatory or optional conversion	- NA-	- NA-	- NA-	- NA-	- NA-	- NA-	- NA-	- NA-
28	If convertible, specify instrument type convertible into	- NA-	- NA-	- NA-	- NA-	- NA-	- NA-	- NA-	- NA-

BASEL III DISCLOSURES

		Equity	Lower Tier II Bonds				Tier II Bonds		Tier I
Disclosures under Pillar 3 in terms of Guidelines on composition of Capital Disclosure Requirements of Reserve Bank of India - as on 31st March 2018			**Series IX**	**Series X**	**Series XI**	**Series XII**	**Series XIII**	**Series XIV**	**Perpetual Series II**
		1	2	3	4	5	6	7	8
Disclosure template for main features of regulatory capital instruments									
29	If convertible, specify issuer of instrument it converts into	- NA-	- NA-	- NA-	- NA-	- NA-	- NA-	- NA-	- NA-
30	Write-down feature	- NA -	- NA -	- NA -	- NA -	- NA -	YES	YES	- NA -
31	If write-down, write-down trigger(s)	- NA -	- NA -	- NA -	- NA -	- NA -	As per RBI guidelines	Yes, as per Terms & Condition of Instrument	- NA -
32	If write-down, full or partial	- NA -	- NA -	- NA -	- NA -	- NA -	FULL	FULL	- NA -
33	If write-down, permanent or temporary	- NA -	- NA -	- NA -	- NA -	- NA -	Permanent	Permanent	- NA -
34	If temporary write-down, description of write-up mechanism	- NA -	- NA -	- NA -	- NA -	- NA -	-NA-	- NA -	- NA -
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	8	- NA -	- NA -	- NA -	- NA -	- NA -	-NA-	7
36	Non-compliant transitioned features	- NA -	- NA -	- NA -	- NA -	- NA -	- NA -	- NA -	- NA -
37	If yes, specify non-compliant features	- NA -	- NA -	- NA -	- NA -	- NA -	- NA -	- NA -	- NA -
*	with RBI approval after the instrument is run for 10 years								
* *	at the end of 10th year from deemed date of allotment with the prior permission from RBI, if not exercised by the Bank, coupon shall be stepped up by 50 basis points thereafter till redemption								