

QUANTITATIVE DISCLOSURES UNDER BASEL II (PILLAR 3) IN TERMS OF RBI CIRCULAR ON PRUDENTIAL GUIDELINES ON CAPITAL ADEQUACY AND MARKET DISCIPLINE FOR THE HALF YEAR ENDED 30.09.2013:

Disclosures in this report pertain to Punjab National Bank (Solo).

**DF 1. Scope of application**

- (a) There is no capital deficiency in any of the subsidiaries
- (b) The bank presently is not involved in insurance manufacturing activity. However, bank has invested in the share capital in the following two insurance related subsidiaries:

| S. No. | Name of the company              | Country of Incorporation | Proportion of ownership | Face Value (₹ in crore) | Book value (₹ in crore) |
|--------|----------------------------------|--------------------------|-------------------------|-------------------------|-------------------------|
| 1.     | PNB Insurance Broking Pvt. Ltd@  | India                    | 81%                     | 4.05                    | 11.73                   |
| 2.     | PNB Life Insurance Company Ltd.# | India                    | NIL                     | NIL                     | NIL                     |

@PNB Insurance Broking Pvt Ltd was licensed by Insurance Regulatory & Development Authority (IRDA) to carry out "Direct Broker" activity. It is a shell Company and has surrendered the broking license to IRDA. Steps are being taken for winding up of the Company.

# The application of the company dated 16.04.2013 for voluntary Liquidation was accepted by the Hon'ble Mumbai High Court on 25.04.2013 and the company stands dissolved

**DF.2. Capital Structure**

- (a) The Tier I capital of the bank comprises:

|   |   | (₹ in crores) |          |
|---|---|---------------|----------|
| Particulars                               |   | 30.09.13      | 30.09.12 |
| i)  | Paid up share capital                                       | 353.47        | 339.18   |
| ii)                                       | Reserves (excluding revaluation reserves)                   | 30558.44      | 25734.66 |
| iii)                                      | Innovative Perpetual Debt Instruments                       | 2020.50       | 2020.50  |
| iv)                                       | Other Capital Instruments                                   | 0.00          | 0.00     |
| Deductions                                |   |               |          |
| v)  | Equity Investment in subsidiaries (50%)                     | 803.11        | 628.09   |
| vi)                                       | Intangible Assets (Deferred Tax Assets + Computer Software) | 549.75        | 491.31   |
| Tier I Capital (i + ii + iii + iv -v -vi) |   | 31579.56      | 26974.94 |



(b) The amount of Tier II capital (net of deductions) is:

| Particulars                                       | (₹ in crores) |          |
|---|---------------|----------|
|   | 30.09.13      | 30.09.12 |
| The amount of Tier II capital (net of deductions) | 9451.42       | 9294.58  |

(c) The debt capital instruments eligible for inclusion in Upper Tier 2 capital are:

| Particulars   | (₹ in crores) |          |
|---|---------------|----------|
|   | 30.09.13      | 30.09.12 |
| Total amount outstanding                            | 6610.00       | 6610.00  |
| Of which amount raised during the current half year | 0.00          | 0.00     |
| Amount eligible to be reckoned as capital funds     | 6610.00       | 6610.00  |

(d) The subordinated debts eligible for inclusion in Lower Tier 2 capital is:

| Particulars   | (₹ in crores) |          |
|---|---------------|----------|
|   | 30.09.13      | 30.09.12 |
| Total amount outstanding                            | 1499.80       | 2264.80  |
| Of which amount raised during the current half year | 0.00          | 0.00     |
| Amount eligible to be reckoned as capital funds     | 599.92        | 899.88   |

(e) Other deductions from capital, if any:

| Particulars                            | (₹ in crores) |          |
|--|---------------|----------|
|  | 30.09.13      | 30.09.12 |
| Other deductions from capital, if any: | NIL           | NIL      |

(f) The total eligible capital comprises:

| Particulars       | (₹ in crores) |          |
|-------------------|---------------|----------|
|                   | 30.09.13      | 30.09.12 |
| Tier – I Capital  | 31679.56      | 26974.94 |
| Tier – II Capital | 9451.42       | 9294.58  |
| Total Capital     | 41030.98      | 36269.52 |

### DF 3. Capital Adequacy

(a) The capital requirements for credit risk are:

| Particulars                                      | (₹ in crores) |          |
|--|---------------|----------|
|  | 30.09.13      | 30.09.12 |
| Portfolios subject to standardized approach @ 9% | 24966.33      | 24033.84 |
| Securitization exposure                          | NIL           | NIL      |



- (b) The capital requirements for market risk (under standardized duration approach) are:  
(₹ in crores)

| Risk Category   | 30.09.13 | 30.09.12 |
|---|----------|----------|
| i) Interest Rate Risk   | 1118.01  | 985.76   |
| ii) Foreign Exchange Risk (including Gold)  | 18.00    | 18.00    |
| iii) Equity Risk  | 509.02   | 542.78   |
| iv) Total capital charge for market risks under Standardized duration approach (i + ii + iii) | 1645.03  | 1546.54  |

- (c) The capital requirement for operational risk under Basic indicator approach is:

(₹ in crores)

| Capital requirement for operational risk | 30.09.13 | 30.09.12 |
|--|----------|----------|
| Basic indicator approach                 | 2605.93  | 2254.04  |
| The standardised Approach                | 2562.66  | 2185.53  |

- (d) The capital ratios of the bank and subsidiaries are:

Punjab National Bank

|                            | 30.09.13 | 30.09.12 |
|----------------------------|----------|----------|
| CRAR (%)                   | 12.32    | 11.73    |
| CRAR – Tier I capital (%)  | 9.48     | 8.72     |
| CRAR – Tier II capital (%) | 2.84     | 3.01     |

**Subsidiaries:**

| Name of Subsidiary                       | CRAR % Tier 1  |                | CRAR % Tier 2  |                | CRAR % Total   |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
|  | 30.09.13       | 30.09.12       | 30.09.13       | 30.09.12       | 30.09.13       | 30.09.12       |
| PNB Gilts Ltd                            | 27.77          | 41.59          | -              | -              | 27.77          | 41.59          |
| PNB Housing Finance Ltd                  | 8.21           | 12.27          | 4.66           | 1.73           | 12.87          | 14.00          |
| PNB Investment Services Ltd              | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| PNB Insurance Broking Pvt. Ltd           | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| PNB Life Insurance Co Ltd                | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| Punjab National Bank(International) Ltd. | 11.37          | 10.89          | 5.76           | 6.15           | 17.13          | 17.04          |
| Druk PNB Bank Ltd                        | 15.77          | 11.82          | 2.99           | 3.35           | 18.76          | 15.17          |
| JSC SB PNB Kazakhstan                    | 108.47         | 124.75         | 36.27*         | 1.41           | 144.74         | 126.16         |

\*Translation difference of Rs.119.53 crore included in Tier II capital as on 30.09.2013.

**DF 4. Credit risk: general disclosures**

- (a) The total gross credit risk exposures are:

(₹ in Crores)

| Category       | 30.09.13  | 30.09.12  |
|----------------|-----------|-----------|
| Fund Based     | 321539.05 | 300872.70 |
| Non Fund Based | 75699.87  | 75977.32  |



(b) The geographic distribution of exposures is:

(₹ in crores)

| Category       | Overseas |          | Domestic  |           |
|----------------|----------|----------|-----------|-----------|
|                | 30.09.13 | 30.09.12 | 30.09.13  | 30.09.12  |
| Fund Based     | 32343.74 | 26832.23 | 289195.31 | 274040.47 |
| Non-fund based | 7334.16  | 3458.64  | 68365.71  | 72518.68  |

(c) (i) Industry type distribution of exposures (Fund Based) is as under:

(₹ in Crores)

| S.NO. | CODE | INDUSTRY                         | 30.09.13 |          | 30.09.12 |          |
|-------|------|----------------------------------|----------|----------|----------|----------|
| 1     | 1    | COAL                             |          | 515.37   |          | 166.74   |
| 2     | 2    | MINING                           |          | 881.43   |          | 1119.86  |
| 3     | 3    | IRON AND STEEL                   |          | 19927.71 |          | 17927.95 |
| 4     | 4    | OTHER METAL & METAL PRODUCTS     |          | 843.84   |          | 1491.94  |
| 5     | 5    | ALL ENGINEERING                  |          | 4970.88  |          | 5374.24  |
|       | 5.1  | Of which (005) Electronics       | 796.53   |          | 362.29   |          |
| 6     | 6    | ELECTRICITY                      |          | 9695.50  |          | 8419.54  |
| 7     | 7    | COTTON TEXTILES                  |          | 2807.55  |          | 2923.23  |
| 8     | 8    | JUTE TEXTILTES                   |          | 115.34   |          | 90.23    |
| 9     | 9    | OTHER TEXTILES                   |          | 3636.31  |          | 4294.25  |
| 10    | 10   | SUGAR                            |          | 3795.95  |          | 1910.65  |
| 11    | 11   | TEA                              |          | 8.30     |          | 7.61     |
| 12    | 12   | FOOD PROCESSING                  |          | 3283.07  |          | 3034.34  |
| 13    | 13   | VEGETABLE OILS AND VANASPATI     |          | 404.88   |          | 477.94   |
| 14    | 14   | TOBACCO & TOBACCO PRODUCTS       |          | 21.78    |          | 21.70    |
| 15    | 15   | PAPER & PAPER PRODUCTS           |          | 1453.46  |          | 1682.29  |
| 16    | 16   | RUBBER & RUBBER PRODUCTS         |          | 1360.74  |          | 617.07   |
| 17    | 17   | CHEMICALS, DYES, PAINTS, ETC.    |          | 3144.80  |          | 3308.02  |
|       | 17.1 | Of which Fertilizers             | 160.70   |          | 146.55   |          |
|       | 17.2 | Of which Petro-chemicals         | 221.21   |          | 219.56   |          |
|       | 17.3 | Of which Drugs & Pharmaceuticals | 1494.87  |          | 1369.40  |          |
| 18    | 18   | CEMENT                           |          | 858.60   |          | 995.30   |
| 19    | 19   | LEATHER & LEATHER PRODUCTS       |          | 473.85   |          | 563.36   |
| 20    | 20   | GEMS AND JEWELLERY               |          | 4337.16  |          | 1144.38  |
| 21    | 21   | CONSTRUCTION                     |          | 4641.12  |          | 4100.33  |
| 22    | 22   | PETROLEUM                        |          | 1389.38  |          | 2202.63  |
| 23    | 23   | AUTOMOBILES INCLUDING TRUCKS     |          | 1045.54  |          | 1725.29  |
| 24    | 24   | COMPUTER SOFTWARE                |          | 31.89    |          | 31.82    |
| 25    | 25   | INFRASTRUCTURE                   |          | 56842.11 |          | 50478.02 |



|    |      |  |          |           |           |
|----|------|--|----------|-----------|-----------|
|    | 25.1 | Of which Power   | 32108.20 |           | 26167.47  |
|    | 25.2 | Of which Telecommunications                                    | 6854.56  |           | 8004.75   |
|    | 25.3 | Of which Roads & Ports   | 10991.36 |           | 10020.98  |
| 26 | 26   | NBFCs  |          | 11692.55  | 11729.93  |
| 27 | 27   | TRADING  |          | 12071.35  | 11883.58  |
| 28 | 28   | OTHER INDUSTRIES   |          | 25343.68  | 25806.98  |
|    |      | TOTAL  |          | 175594.15 | 163529.23 |
| 29 | 29   | Residuary Other Advances                                       |          | 145944.91 | 137343.47 |
|    |      | GRAND TOTAL  |          | 321539.05 | 300872.70 |
|    |      | Industry exposure is more than 5% of gross fund based exposure |          |           |           |
| 1. | 25.  | INFRASTRUCTURE   |          | 56842.11  | 50478.02  |
| 2. | 3.   | IRON & STEEL   |          | 19927.71  | 17927.95  |

(ii) - Industry type distribution of exposures (Non Fund Based) is as under:

(₹ in Crores)

| S.NO. | CODE | INDUSTRY                         | 30.09.13 |          | 30.09.12 |         |
|-------|------|----------------------------------|----------|----------|----------|---------|
| 1     | 1    | COAL                             |          | 39.77    |          | 57.46   |
| 2     | 2    | MINING                           |          | 596.07   |          | 970.39  |
| 3     | 3    | IRON AND STEEL                   |          | 10573.99 |          | 8151.12 |
| 4     | 4    | OTHER METAL & METAL PRODUCTS     |          | 374.83   |          | 799.17  |
| 5     | 5    | ALL ENGINEERING                  |          | 6387.45  |          | 5475.47 |
|       | 5.1  | Of which (005) Electronics       | 361.00   | 0.00     | 200.44   |         |
| 6     | 6    | ELECTRICITY                      |          | 255.32   |          | 10.00   |
| 7     | 7    | COTTON TEXTILES                  |          | 107.02   |          | 217.19  |
| 8     | 8    | JUTE TEXTILES                    |          | 17.69    |          | 32.67   |
| 9     | 9    | OTHER TEXTILES                   |          | 549.87   |          | 868.63  |
| 10    | 10   | SUGAR                            |          | 131.75   |          | 282.48  |
| 11    | 11   | TEA                              |          | 0.00     |          | 0.13    |
| 12    | 12   | FOOD PROCESSING                  |          | 290.66   |          | 301.30  |
| 13    | 13   | VEGETABLE OILS AND VANASPATI     |          | 1645.25  |          | 2368.39 |
| 14    | 14   | TOBACCO & TOBACCO PRODUCTS       |          | 2.88     |          | 20.07   |
| 15    | 15   | PAPER & PAPER PRODUCTS           |          | 298.80   |          | 234.77  |
| 16    | 16   | RUBBER & RUBBER PRODUCTS         |          | 67.90    |          | 70.89   |
| 17    | 17   | CHEMICALS, DYES, PAINTS, ETC.    |          | 706.83   |          | 1416.84 |
|       | 17.1 | Of which Fertilizers             | 270.17   |          | 221.59   |         |
|       | 17.2 | Of which Petro-chemicals         | 96.47    |          | 509.13   |         |
|       | 17.3 | Of which Drugs & Pharmaceuticals | 141.76   |          | 388.56   |         |
| 18    | 18   | CEMENT                           |          | 144.54   |          | 241.00  |
| 19    | 19   | LEATHER & LEATHER                |          | 56.73    |          | 65.89   |



|    |   | PRODUCTS                     |         |                 |                 |
|----|---|------------------------------|---------|-----------------|-----------------|
| 20 | 20  | GEMS AND JEWELLERY           |         | 425.71          | 390.57          |
| 21 | 21  | CONSTRUCTION                 |         | 328.10          | 327.21          |
| 22 | 22  | PETROLEUM                    |         | 216.49          | 281.65          |
| 23 | 23  | AUTOMOBILES INCLUDING TRUCKS |         | 194.54          | 230.38          |
| 24 | 24  | COMPUTER SOFTWARE            |         | 12.71           | 9.75            |
| 25 | 25  | INFRASTRUCTURE               |         | 11026.41        | 10557.71        |
|    | 25.1  | Of which Power               | 6998.40 | 0.00            | 7098.32         |
|    | 25.2  | Of which Telecommunications  | 1853.10 | 0.00            | 1765.11         |
|    | 25.3  | Of which Roads & Ports       | 679.75  | 0.00            | 934.32          |
| 26 | 26  | NBFCs                        |         | 524.54          | 152.71          |
| 27 | 27  | TRADING                      |         | 4761.42         | 4812.48         |
| 28 | 28  | OTHER INDUSTRIES             |         | 5654.28         | 7388.27         |
|    |   | TOTAL                        |         | <b>45136.23</b> | <b>45734.59</b> |
| 29 | 29  | Residuary Other Advances     |         | 30563.64        | 30242.73        |
|    |   | GRAND TOTAL                  |         | <b>75699.87</b> | <b>75977.32</b> |
|    | Industry where non- fund based outstanding is more than 5% of gross non-fund based outstanding. |                              |         |                 |                 |
| 1  | 25  | INFRASTRUCTURE               |         | 11026.41        | 10557.71        |
| 2  | 3   | IRON AND STEEL               |         | 10573.99        | 10437.23        |
| 3  | 27  | TRADING                      |         | 4761.42         | 4811.41         |
| 2  | 5   | ALL ENGINEERING              |         | 6387.45         | 5475.26         |

(d) The residual contractual maturity break down of assets is:

| Maturity Pattern | Advances*                | Investments (gross) | Foreign Currency Assets |
|------------------|--------------------------|---------------------|-------------------------|
|                  |                          |                     | (₹ in Crores)           |
| Next day         | 16822.56<br>(10818.67)   | (0.00)              | (3115.09)               |
| 2 - 7 days       | 6313.02<br>(12263.12)    | (632.20)            | (1080.57)               |
| 8 - 14 days      | 5450.50<br>(6426.35)     | (338.19)            | (609.59)                |
| 15- 28 days      | 5973.47<br>(4628.15)     | (481.79)            | (1642.13)               |
| 29days – 3months | 18824.64<br>(7959.24)    | (4729.96)           | (10120.62)              |
| >3months-6months | 31543.63<br>(7015.92)    | (3352.12)           | (12785.05)              |
| >6months-1yr     | 21613.36<br>(9727.95)    | (6683.20)           | (6038.37)               |
| >1yr-3yrs        | 152640.29<br>(180645.18) | (15694.09)          | (3168.58)               |
| >3yrs-5yrs       | 23738.64                 |                     |                         |



|       |             |             |            |
|-------|-------------|-------------|------------|
|       | (25410.60)  | (17328.90)  | (2408.72)  |
| >5yrs | 30931.77    |             |            |
|       | (29891.33)  | (79935.69)  | (409.97)   |
| Total | 313851.88   |             |            |
|       | (294786.51) | (129176.14) | (41378.69) |

\*Figures are shown on net basis  
(Figures in brackets relate to previous year)

(e) The gross NPAs are:

|                    | (₹ in Crores) |          |
|--------------------|---------------|----------|
| Category           | 30.09.13      | 30.09.12 |
| Sub Standard       | 8060.82       | 9125.52  |
| Doubtful – 1       | 50953.37      | 2528.53  |
| Doubtful – 2       | 2493.36       | 999.34   |
| Doubtful – 3       | 211.68        | 296.19   |
| Loss               | 665.03        | 1074.30  |
| Total NPAs (Gross) | 16526.26      | 14023.88 |

(f) The amount of net NPAs is:

|             | (₹ in Crores) |          |
|-------------|---------------|----------|
| Particulars | 30.09.13      | 30.09.12 |
| Net NPA     | 9609.03       | 7883.43  |

(g) The NPA ratios are as under:

| NPA Ratios                        | 30.09.13 | 30.09.12 |
|-----------------------------------|----------|----------|
| % of Gross NPAs to Gross Advances | 5.14     | 4.66%    |
| % of Net NPAs to Net Advances     | 3.07     | 2.69%    |

(h) The movement of gross NPAs is as under:

|   | (₹ in Crores) |          |
|---|---------------|----------|
| Movement of gross NPAs                          | 30.09.13      | 30.09.12 |
| i) Opening Balance at the beginning of the year | 13465.79      | 8719.62  |
| ii) Addition during the half year               | 5973.06       | 7312.83  |
| iii) Reduction during the half year             | 2912.59       | 2008.57  |
| iv) Closing balance as at the end of half year  | 16526.26      | 14023.88 |

(i) The movement of provision for NPAs is as under:

|   | (₹ in Crores) |          |
|---|---------------|----------|
| Movement of provision for NPAs                                      | 30.09.13      | 30.09.12 |
| i) Opening Balance at the beginning of the year                     | 6102.84       | 4184.06  |
| ii) Provisions made during the half year                            | 2450.02       | 2619.46  |
| iii) Write-off made during the half year                            | 872.18        | 50.31    |
| iv) Write –back of excess provisions made during the half year      | 847.22        | 732.15   |
| v) Closing Balance as at the end of the half year (i + ii - iii-iv) | 6833.46       | 6021.06  |





(j) The amount of non-performing investment is:

| Particulars                         | (₹ in Crores) |          |
|-------------------------------------|---------------|----------|
|                                     | 30.09.13      | 30.09.12 |
| Amount of non-performing investment | 180.66        | 108.95   |

(k) The amount of provisions held for non-performing investment is:

| Particulars  | (₹ in Crores) |          |
|--|---------------|----------|
|  | 30.09.13      | 30.09.12 |
| Amount of provision held for non-performing investment | 154.14        | 65.26    |

(l) The movement of provisions for depreciation on investments is as under:

| Movement of provisions for depreciation on investments             | (₹ in Crores) |          |
|--|---------------|----------|
|  | 30.09.13      | 30.09.12 |
| i) Opening balance at the beginning of the year                    | 539.49        | 517.77   |
| ii) Provisions made during the half year                           | 457.88        | 0.00     |
| iii) Write-off made during the half year                           | NIL           | 0.00     |
| iv) Write-back of excess provisions made during the half year      | NIL           | 192.01   |
| v) Closing balance as at the end of the half year (i + ii -iii-iv) | 997.37        | 325.76   |

**DF 5. Credit Risk: disclosure for portfolios subject to the standardized approach**

The exposure amounts after risk mitigation (subject to the standardized approach) in different risk buckets are as under:

| Particulars  | (₹ in Crores) |           |
|--|---------------|-----------|
|  | 30.09.13      | 30.09.12  |
| i) Below 100% risk weight exposure outstanding       | 191445.97     | 150718.99 |
| ii) 100% risk weight exposure outstanding            | 140156.01     | 154819.32 |
| iii) More than 100% risk weight exposure outstanding | 66012.83      | 46935.49  |
| iv) Deducted   | NIL           | NIL       |





**DF 6. Credit Risk Mitigation: disclosures for standardized approaches**

(₹ in Crores)

| Particulars   | 30.09.13 | 30.09.12 |
|---|----------|----------|
| (a) For each separately disclosed credit risk portfolio the total exposure (after, where applicable, on or off balance sheet netting) that is covered by eligible financial collateral after the application of haircuts. | 16810.02 | 20540.89 |
| (b) For each separately disclosed portfolio the total exposure (after, where applicable, on or off-balance sheet netting) that is covered by guarantees/credit derivatives (whenever specifically permitted by RBI)       | 15499.02 | 16702.62 |

**DF 7. Securitization: disclosure for standardized approach**

Bank does not have any securitization exposure.

**DF 8. Market Risk in Trading Book**

The capital requirements for market risk are as under:

(₹ in Crores)

| Risk Category   | 30.09.13 | 30.09.12 |
|---|----------|----------|
| i) Interest Rate Risk   | 1118.01  | 985.76   |
| ii) Equity Position Risk  | 18.00    | 542.78   |
| iii) Foreign Exchange Risk (including Gold )  | 509.02   | 18.00    |
| iv) Total capital charge for market risks under Standardized duration approach (i+ii+iii) | 1645.03  | 1546.54  |

**DF 9. Operational Risk (being qualitative disclosures not required for half year)**



**DF 10. Interest rate risk in the banking book (IRRBB)**

Quantitative Disclosure

A. Earning Approach as on:

**1. Earning Approach – Interest rate sensitivity (Net gaps) as on 30.09.2013**

(₹ in Crore)

| Maturity Period   | GAP        | Other Products* | Net Gap    | Total Assets | Net Gaps as % to Total Assets |
|-------------------|------------|-----------------|------------|--------------|-------------------------------|
|                   | (RSA-RSL)  | (Int. rate)     | (1+2)      |              |                               |
|                   | (1)        | (2)             | (3)        |              |                               |
| 1-28 days         | 4411.35    | -675.00         | 3736.35    | 41274.48     | 9%                            |
| 29 days - 3months | 121944.37  | 0.00            | 121944.37  | 173527.27    | 70%                           |
| >3 to 6 months    | -40871.46  | 0.00            | -40871.46  | 30934.83     | -132%                         |
| >6 to 12 months   | -67751.56  | 0.00            | -67751.56  | 20808.93     | -326%                         |
| >1 to 3 years     | -113012.68 | 0.00            | -113012.68 | 73105.92     | -155%                         |
| >3 to 5 years     | 15891.93   | 0.00            | 15891.93   | 25100.10     | 63%                           |
| >5 years          | 78307.75   | 0.00            | 78307.75   | 91286.25     | 86%                           |

\* Other products include FRAs, Swaps, Futures, Options & Other Derivatives.

The repricing assumptions on assets and liabilities are as per RBI guidelines. The floating rate advances are assumed to be repriced in 29 days to 3 months bucket.

**Earning at Risk:** Impact of 0.5% adverse change in interest rate on NII.

(₹ in crores )

| Remaining period          | Estimated impact on NII with adverse change in rate of interest by 0.50% |
|---------------------------|--|
| Up to 6 months            | 187.16   |
| <sup>2</sup> Up to 1 year | 314.49   |

**2. Economic Value Approach**

The economic value i.e. impact on the capital fund due to change in interest rate by 200 bps on the economic value is assessed on regular intervals through duration gap method. As a prudential measure a limit has been fixed for net duration gap of the assets and liabilities and the same is monitored at regular intervals.

---

