

Investment Policy

Clauses 17 and 18 are amended as follows:

EXISTING	AMENDMENT
<p>17. VALUATION AND CLASSIFICATION OF SECURITIES: The Bank shall follow the guidelines issued by RBI from time to time for classification and valuation of investment of UCBs.</p> <p>18. CATEGORISATION OF INVESTMENTS: The entire Investment Portfolio (including SLR and Non-SLR securities) are classified into three categories viz.,</p> <ul style="list-style-type: none"> i. Held to Maturity (HTM) ii. Held for Trading (HFT) iii. Available for Sale (AFS) <p>The decision regarding the category of investments shall be decided at the time of acquisition and the decision shall be recorded on the investment committee minutes.</p> <p>(i) Held to Maturity Securities acquired by the Banks with the intention to hold them up to maturity will be classified under “Held to Maturity” category.</p> <p>(ii) Held for Trading Securities acquired by the Banks with the intention to trade by taking advantage of the short-term price/ interest rate movements will be classified under “Held for Trading” category</p> <p>(iii) Available for Sale (AFS) Debt or equity securities purchased with the intent of selling before they reach maturity</p>	<p>17. VALUATION AND CATEGORISATION OF SECURITIES: The Bank shall follow the guidelines issued by RBI from time to time for categorisation and valuation of investment of UCBs.</p> <p>18 A. CATEGORISATION OF INVESTMENTS: The entire Investment Portfolio (including SLR and Non-SLR securities) are classified into three categories viz.,</p> <ul style="list-style-type: none"> iv. Held to Maturity (HTM) v. Held for Trading (HFT) vi. Available for Sale (AFS) <p>The decision regarding the category of investments shall be decided at the time of acquisition and the decision shall be recorded on the investment committee minutes.</p> <p>(iv) Held to Maturity Securities acquired by the Banks with the intention to hold them up to maturity will be classified under “Held to Maturity” category.</p> <p>(v) Held for Trading Securities acquired by the Banks with the intention to trade by taking advantage of the short-term price/ interest rate movements will be classified under “Held for Trading” category</p> <p>(vi) Available for Sale (AFS) Debt or equity securities purchased with the intent of selling before they reach maturity</p> <p>18 B. Securities classified as HFT and AFS are both valued at their fair market value at the time of reporting, which means their price is based on the current market price, and any changes in fair value are reflected in the income statement; however, HFT securities are typically marked to market more frequently than</p>

	<p>AFS securities, usually at least monthly due to their short-term trading nature.</p> <p>Key points about HFT and AFS valuation</p> <p>Securities classified as HFT and AFS are both valued at their fair market value at the time of reporting, meaning their price is based on the current market price, and any changes in fair value are reflected in the income statement; however, HFT securities are typically marked to market more frequently than AFS securities, usually at least monthly due to their short-term trading nature.</p> <p>Key points about HFT and AFS valuation:</p> <p>HFT: Valued at fair market value, with frequent revaluations (often monthly).</p> <p>Any changes in fair value are immediately recognized in the profit and loss account.</p> <p>Typically held for short-term trading strategies to capitalize on quick price movements.</p> <p>AFS: Valued at fair market value, but may be marked to market less frequently than HFT securities.</p> <p>Unrealized gains or losses on AFS securities are reported in the other comprehensive income (OCI) until the security is sold.</p> <p>AFS can be held for a longer period than HFT securities but are not intended to be held to maturity.</p> <p>Banks may shift investments from AFS to HFT with the approval of the Board of Directors/ ALCO/ Investment Committee.</p> <p>Shifting of investments from HFT to AFS shall not be generally allowed.</p>
--	--