

DISCLOSURE ON REMUNERATION

1. Decision making process

a. Fixed Remuneration

The remuneration package (salary and allowances) of India Based Officers (IBOs) deputed to Hong Kong Branch, is decided on the recommendations of the Working Group of the Standing Committee set up in 1983 by the Government of India, Ministry of Finance (Banking Division). The Standing Committee sends its recommendations to all the banks. Each bank separately gets the approval of recommended remuneration structure from their respective Board of Directors.

b. Variable Remuneration

Based on the guidelines laid down by Government of India for cash incentive scheme the Board of Directors approved Performance Linked Comprehensive Cash Incentive Scheme. In case of Hong Kong Branch, Branch Head of rank of Dy. General Manager and above is eligible to get performance-linked remuneration as per existing scheme.

2. Design Characteristics of Remuneration System

a. Fixed Remuneration

As per the Board Approval, the remuneration of India Based Officers (IBO) to Hong Kong Branch, fixed remuneration is paid, which is based on the recommendations of the Standing Committee of all the nationalized banks in India.

b. Variable Remuneration

The incentive scheme for the Branch Head of Dy. General Manager's rank comprises of following two components:

- i. Incentive of up to 4% of the gross annual salary based on the performance of their respective General Manager
- ii. Incentive of up to 16% of the gross annual salary based on the individual performance.

Fixed Remuneration and Variable Remuneration are paid in cash.

3. Aggregate Quantitative Information on remuneration for the Senior Management and Key Personnel.

a. Details of Fixed and Variable Remuneration

Fixed		Variable		Total amount paid during the year ended 31 st March, 2011 HKD'000
No. of Persons	Amount HKD'000	No. of Persons	Amount HKD'000	
5	2,644	1	41	2,685

- b. Entire variable remuneration paid in Cash. Variable Remuneration is for the financial year ended March, 2010, but paid during the financial year, March,2011.
- c. There was no vested or unvested deferred remuneration during the financial year ended 31st March 2011.
- d. There was no deferred remuneration paid out and reduced through performance adjustment during the financial year ended 31st March 2011.

4. Details of New sign-on and severance payments during the year ended March 2011.

New sign-on and severance awarded and number of beneficiaries of such payments	NIL
Amounts of severance actually made, number of beneficiaries and highest such award to A single person	NIL