

Disclosures under Pillar III of Basel II (New Capital Adequacy Frame work)
as on 30.09.2010

Table DF-1: Scope of Application

- a. **The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation i.e. that are deducted and the name(s) of such subsidiaries: Nil**

The sole subsidiary of the Bank, ABFSL has outstanding accumulated losses. The Bank has fully provided Rs.5.00 Crores (Total Investment of Rs. 5.00 Cr) towards its investment in subsidiary.

- b. **The aggregate amounts (e.g. current book value) of the bank's total interests in insurance entities, which are risk-weighted as well as their name, their country of incorporation or residence, the proportion of ownership interest and, if different, the proportion of voting power in these entities. In addition, indicate the quantitative impact on regulatory capital of using this method versus using the deduction.**

The Bank has launched a life insurance company, India First Life Insurance Company, a Joint Venture with Bank of Baroda and Legal & General with a share of 30%.

Sl. No.	Name of the entity	Country of Incorporation	Proportion of ownership percentage	Amount invested
1	IndiaFirst Life Insurance Co. Ltd.	India	30%	Rs. 60 crore

The investment in the Joint Venture is categorised as 'Held to Maturity' and risk-weighted accordingly.

Table DF-2: Capital Structure

- a. **The amount of Tier I Capital:**

Bank's Tier I Capital comprises of equity shares, Reserves and Innovative Perpetual Bonds. The details of the same are as mentioned below:

Particulars	<i>(Rs. in Cr)</i>	
	Amount	Amount
Paid up Equity Share Capital		485.00
<u>Reserves:</u>		
Share Premium	680.00	
Statutory Reserve	1373.08	
Capital Reserve	339.16	
Special Reserve under Sec 36 (1) (viii) of Income Tax	204.00	
Retained Earnings (Balance in P&L A/c)	200.65	
Revenue Reserve	<u>1128.15</u>	3925.04

Add: Innovative Perpetual Debt Bonds		200.00
Total		4610.04
Less :		
Intangible Assets	59.57	
Deferred Tax Asset	113.31	
Capital Charge for Securitization Transactions	0.57	
Deduction for investment in Subsidiaries & associates	<u>7.15</u>	180.60
TOTAL TIER-I CAPITAL		4429.44

b. The total amount of Tier II Capital (Net of deductions from Tier II Capital):

Bank's Tier II Capital comprises of Subordinated Debt Bonds, Upper Tier-II Debt Bonds and other general provisions and loss reserves. The details of the same are as mentioned below:

(Rs. in Cr)

Particulars	Amount	Amount
General Provisions and Loss Reserves	66.89	
General Provisions on Standard Assets	<u>308.89</u>	375.78
<u>d. Subordinated Debts Bonds</u>		
Total amount raised	1820.00	
Discounted during the year	80.00	
Amount eligible for inclusion in Tier-II	1740.00	1740.00
<u>Upper Tier-II Debt Bonds</u>		
Total amount outstanding	1000.00	
Amount eligible for inclusion in Tier-II	1000.00	2740.00
Total		3115.78
<u>e. Subordinated debts eligible for inclusion in Lower Tier II capital</u>		Nil
<u>f. Other deductions from Tier II capital</u>		
Capital Charge for Securitization Transactions	0.57	
Deduction for investment in Subsidiary	<u>7.15</u>	7.72
TOTAL TIER-II CAPITAL		3108.06

g. Total eligible capital comprises of:

(Rs. in Cr)

Tier I Capital	4429.44
Tier II Capital	3108.06
Total eligible Capital	7537.50

Table DF-3: Capital Adequacy*(Rs. in Cr)*

Items	Amount
(b) Capital requirements for credit risk <ul style="list-style-type: none"> ▪ Portfolios subject to standardized approach ▪ Securitisation exposures 	4995.00 NIL
(c) Capital requirements for market risk <ul style="list-style-type: none"> - Standardized duration approach <ul style="list-style-type: none"> ▪ Interest rate risk ▪ Foreign exchange risk (including gold) ▪ Equity position risk 	55.49 1.04 50.96
(d) Capital requirements for operational risk <ul style="list-style-type: none"> - Basic indicator approach 	362.32
(e) Total and Tier 1 CRAR for the Bank <ul style="list-style-type: none"> ▪ Total CRAR (%) ▪ Tier 1 CRAR (%) 	12.41 7.29
(f) Total and Tier 1 CRAR for the Consolidated Group <ul style="list-style-type: none"> ▪ Total CRAR (%) ▪ Tier 1 CRAR (%) 	12.41 7.29
(g) Total and Tier I CRAR for the Significant Subsidiary which is not under consolidated group <ul style="list-style-type: none"> ▪ Total CRAR (%) ▪ Tier 1 CRAR (%) 	NA

Table DF-4: Credit Risk: General Disclosures**a) The total Gross Credit Risk Exposures are :***(Rs. in Cr)*

Category	Amount
Fund Based	61020.98
Non Fund Based	14022.91

b) Bank has no Overseas Branches. Hence, Geographical exposures are not given.

c) Industry type distribution of exposures:

TOTAL ADVANCES AS ON 30.06.2010 (PREVIOUS QUARTER), RS. 57,143.76 CRORE

(Rs. In Crores)

Sl. No	Industry	Ceilings as % of total advances of previous quarter	Ceiling amount on total advances of previous quarter	Actual Fund based exposure as on 30.09.2010	Exposure as % of total advances of previous quarter i.e. 30.06.2010
1	Textiles	9.00	5142.94	2806.69	4.91
2	Petroleum Products	10.00	5714.38	2248.59	3.93
3	Power *	25.00	14285.94	12825.39	22.44
4	Engineering (Heavy & Light)	5.00	2857.19	1663.84	2.91
5	NBFC *	10.00	5714.38	3413.78	5.97
6	Diamonds, Gems & Jewellery	5.00	2857.19	929.43	1.63
7	Rice Mills	6.00	3428.63	1595.04	2.79
8	Sugar	5.00	2857.19	1285.32	2.25
9	Drugs & Pharmaceuticals	5.00	2857.19	1346.86	2.36
10	Tobacco	2.00	1142.88	630.11	1.10
11	Cement & Cement Products	5.00	2857.19	499.90	0.87
12	Distilleries	1.00	571.44	178.38	0.31
13	Iron & Steel *	10.00	5714.38	5628.36	9.85
14	Construction & Contractors*	10.00	5714.38	5346.91	9.36
15	Software	1.50	857.16	97.20	0.17
16	Hospitals	3.00	1714.31	367.36	0.65
17	Hotels	3.00	1714.31	1202.31	2.10
18	Educational Institutions	2.00	1142.88	628.49	1.10
19	Housing Loans (includes residential mortgages & indirect finance to Housing intermediaries) *	15.00	8571.56	3957.20	6.92
20	Commercial Real Estate *	7.00	4000.06	3645.34	6.38

*Exposure is more than 5 per cent of the fund limits of the previous quarter

**INDUSTRY WISE INTERNAL (NON-FUNDED) EXPOSURE CEILINGS AND EXPOSURE AS ON
30.09.2010**

TOTAL NON-FUNDED Limits AS ON 30.06.2010 (PREVIOUS QUARTER), RS.16,768.93 CRORE

(Rs. In Crores)

Sl. No	Industry	Ceilings as % of Non Fund Limits of previous quarter	Ceiling amount on Non Fund Limits of previous quarter	Actual Non Fund based exposure as on 30.09.2010	Exposure as % of Non Fund Limits of Previous Quarter i.e. 30.06.2010
1	Textiles	4.00	670.76	285.65	1.70
2	Petroleum Products	1.00	167.69	27.49	0.16
3	Power *	15.00	2515.34	2257.90	13.46
4	Engineering (Heavy & Light) *	12.00	2012.27	955.60	5.70
5	Diamonds, Gems & Jewellery	1.00	167.69	147.07	0.88
6	Rice Mills	2.00	335.38	25.52	0.15
7	Sugar	4.00	670.76	240.89	1.44
8	Drugs & Pharmaceuticals	6.00	1006.14	626.17	3.73
9	Tobacco	0.50	83.84	31.80	0.19
10	Cement & Cement Products	2.00	335.38	12.12	0.07
11	Distilleries	0.50	83.84	18.00	0.11
12	Iron & Steel *	14.00	2347.65	1093.50	6.52
13	Construction & Contractors *	50.00	8384.47	5582.93	33.29
14	Software	1.00	167.69	63.62	0.38
15	Hospitals	1.50	251.53	75.68	0.45
16	Hotels	1.50	251.53	21.46	0.13
17	Educational Institutions	2.00	335.38	56.19	0.34
18	Commercial Real Estate	2.00	335.38	86.74	0.52

***Exposure is more than 5 per cent of the non fund limits of the previous quarter**

d) Residual contractual Maturity breakdown of assets:

(Rs. in Cr)

Maturity Pattern	Advances (Net)	Investments	Foreign Currency assets
0 to 1 day	384.10	0.10	206.64
2 to 7 days	548.52	120.25	24.06
8 to 14 days	498.72	123.78	40.55
15 to 28 days	755.06	96.46	211.03
29 days to 3 months	5,156.52	1,350.76	194.36
Over 3 months & upto 6 months	2,270.33	315.82	508.64
Over 6 months & upto 1 year	7,950.06	130.20	0.00
Over 1 year & upto 3 years	29,189.60	1,285.96	0.00
Over 3 year & upto 5 years	5,881.85	4,086.83	0.00
Over 5 years	7,615.57	14,967.62	0.00
Total	60,250.33	22,477.78	1185.28

e) Amount of NPAs (Gross):

(Rs. in Cr)

CATEGORY	AMOUNT
Sub-Std	437.73
Doubtful-1	239.75
Doubtful-2	73.49
Doubtful-3	16.54
Loss	2.65
Total	770.16

f) Net NPAs:

(Rs. in Cr)

Net NPAs	299.36
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g) NPA Ratios:

(Rs. in Cr)

Gross NPA to Gross Advances (%)	1.26%
Net NPA to Net Advances (%)	0.49%

h) Movement of NPAs (Gross):

(Rs. in Cr)

(a) Opening Balance	487.87
(b) Additions during the year	398.28
(c) Reductions during the year	115.99
(d) Closing Balance	770.16

i) **Movement of Provision for NPAs:**

	<i>Rs. in Cr</i>
Movement of Specific Provisions for NPAs	
(a) Opening Balance	353.80
(b) Provisions made during the year	113.07
(c) Write-off	34.42
(d) Write-back of excess provisions	NIL
(d) Closing Balance	432.45
Movement of Floating Provisions for NPAs	
(a) Opening Balance	38.06
(b) Additions during the year	NIL
(c) Reductions during the year	NIL
(d) Closing Balance	38.06

j) Amount of Non-Performing Investments: Rs. 0.43 cr

k) Amount of provisions held for non-performing investments : Rs. 0.43 cr

l) Movement of provisions for depreciation on investments

	<i>Rs. in cr</i>
(a) Opening Balance	0.43
(b) Additions during the year	NIL
(c) Reductions during the year	NIL
(d) Closing Balance	0.43

Table DF-5: Credit Risk: Disclosures for Portfolios subject to the Standardised Approach

a) For exposure amounts after risk mitigation subject to the standardised approach, amount of bank's outstandings (rated & unrated) in the following major risk buckets as well as those that are deducted:

(Rs. in cr)

	Fund Based	Non Fund based
Below 100% risk weight	23,586.59	3,483.67
100% risk weight	28,965.32	8,761.29
More than 100% risk weight	4,867.62	804.36
Deducted	3,600.97	973.59
Total	61,020.49	14,022.91

Table DF-6: Credit Risk Mitigation: Disclosures for Standardised Approach

(Rs. in cr)

Particulars	Amount
a) Total exposure covered by eligible financial collateral after application of haircuts.	4574.56
b) Total exposure covered by guarantees Total exposure covered by credit derivatives	3499.74 Nil

Table DF-7: Securitisation Exposures: Disclosure for Standardised Approach

Banking Book

- a) **The total amount of exposures securitised by the bank:** Rs.50.36 crore. The present outstanding being Rs. 8.05 cr.
- b) **For exposures securitised losses recognised by the bank during the current period broken by the exposure type (e.g. Credit cards, housing loans, auto loans etc. detailed by underlying security):** Nil
- c) **Amount of assets intended to be securitised within a year:** Nil, at this stage
- d) **Of (f), amount of assets originated within a year before securitisation. :** Nil
- e) **The total amount of exposures securitised (by exposure type) and unrecognised gain or losses on sale by exposure type.**

Bank has securitized Housing Loans to the tune of Rs. 50.36 crore during 2004.

No losses were recognised by the Bank

- f) **Aggregate amount of:**
- **on-balance sheet securitisation exposures retained or purchased broken down by exposure type and**
 - **off-balance sheet securitisation exposures broken down by exposure type**

Same as above

- g) **Aggregate amount of securitisation exposures retained or purchased and the associated capital charges, broken down between exposures and further broken down into different risk weight bands for each regulatory capital approach**

Rs.7.41 crore of Securitised Housing Loans subscribed by the Bank as PTC-B, subordinate to PTC-A.

- h) Exposures that have been deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type).

Capital charge on Securitisation transaction is Rs.103.30 lacs, of which 50% is deducted from Tier I and 50% from Tier II Capital.

Trading book

The Bank does not have any securitization exposure in its trading book.

Table DF-8: Market Risk in Trading Book

<i>(Rs. in Cr)</i>	
Capital requirements for market risk	
- Standardized duration approach	
▪ Interest rate risk	55.49
▪ Foreign exchange risk (including gold)	1.04
▪ Equity position risk	50.96

Table DF-10: Interest Rate Risk in Banking Book

EARNINGS AT RISK

(Rs. in crore)

Change in interest rate	Repricing upto 1 year
0.25%	16.16
0.50%	32.32
0.75%	48.48
1.00%	64.63

ECONOMIC VALUE OF EQUITY

For a 200 bps rate shock the drop in equity value (including reserves)	Rs.1002.84 crores
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