

Disclosures under Pillar III of Basel II (New Capital Adequacy Frame work)
as on 30.09.2011

Table DF-1: Scope of Application

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.

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 had 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. 142.50 crore

The investment in the Joint Venture is categorized 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:

(Rs. in Cr)

Particulars	Amount	Net Amount
Paid up Equity Share Capital		559.58
Reserves:		
Share Premium	1778.42	
Statutory Reserve	1690.00	
Capital Reserve	343.56	
Special Reserve under Income Tax	300.00	
Profit and Loss A/c	292.71	

Revenue Reserve	1528.15	5932.84
Innovative Perpetual Debt Bonds		200.00
Total		6692.42
Less :		
Intangible Assets	39.64	
Deferred Tax Asset	0.00	
Capital Charge for Securitization Transactions	0.50	
Deduction for investment in Subsidiary	7.15	47.29
TOTAL TIER-I CAPITAL		6645.13

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	Net Amount
General Provisions and Loss Reserves		62.26	
General Provisions on Standard Assets		<u>500.94</u>	563.20
<u>d. Subordinated Debts Bonds</u>			
Total amount raised	1820.00		
Discounted during the year	120.00		
Amount eligible for inclusion in Tier-II	1700.00	1700.00	
<u>Upper Tier-II Debt Bonds</u>			
Total amount outstanding	1000.00		
Amount eligible for inclusion in Tier-II	1000.00	1000.00	2700.00
Total			3263.20
<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		0.50	
Deduction for investment in Subsidiary		<u>7.15</u>	7.65
TOTAL TIER-II CAPITAL			3255.55

c) Total eligible capital comprises of:

<i>(Rs. in Cr)</i>	
Tier I Capital	6645.13
Tier II Capital	3255.54
Total eligible Capital	9900.67

Table DF-3: Capital Adequacy

<i>(Rs. in Cr)</i>	
Items	Amount
(b) Capital requirements for credit risk <ul style="list-style-type: none"> ▪ Portfolios subject to standardized approach ▪ Securitisation exposures 	6252.78 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 	46.29 15.00 54.65
(d) Capital requirements for operational risk <ul style="list-style-type: none"> - Basic indicator approach 	466.69
(e) Total and Tier 1 CRAR for the Bank <ul style="list-style-type: none"> ▪ Total CRAR (%) ▪ Tier 1 CRAR (%) 	13.07 8.77
(f) Total and Tier 1 CRAR for the Consolidated Group <ul style="list-style-type: none"> ▪ Total CRAR (%) ▪ Tier 1 CRAR (%) 	13.07 8.77
(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 :

<i>(Rs. in Cr)</i>	
Category	Amount
Fund Based	74493.22
Non Fund Based	18245.45

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

c) Industry type distribution of exposures:

INDUSTRY WISE INTERNAL (FUNDED) EXPOSURE CEILINGS AND EXPOSURE AS ON 30.09.2011

TOTAL ADVANCES AS ON 30.06.2011 (PREVIOUS QUARTER), Rs.74534.62 Cr.

(Rs. in Cr.)

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 30.09.2011	Exposure as % of total advances of previous quarter i.e. 30.06.2011
1	Textiles	9.00	6708.12	4186.51	5.62%
2	Petroleum Products	10.00	7453.46	1870.77	2.51%
3	Power	25.00	18633.66	16624.87	22.30%
4	Engineering (Heavy & Light)	5.00	3726.73	2455.83	3.29%
5	NBFC	10.00	7453.46	5191.42	6.97%
6	Diamonds, Gems & Jewellery	5.00	3726.73	1042.99	1.40%
7	Rice Mills	6.00	4472.08	1903.79	2.55%
8	Sugar	5.00	3726.73	1262.46	1.69%
9	Drugs & Pharmaceuticals	5.00	3726.73	1659.18	2.23%
10	Tobacco	2.00	1490.69	793.73	1.06%
11	Cement & Cement Products	5.00	3726.73	852.49	1.14%
12	Distilleries	1.00	745.35	167.64	0.22%
13	Iron & Steel	10.00	7453.46	5444.52	7.30%
14	Construction & Contractors	10.00	7453.46	3743.08	5.02%
15	Software	1.50	1118.02	177.41	0.24%
16	Hospitals	3.00	2236.04	539.93	0.72%
17	Hotels	3.00	2236.04	1230.57	1.65%
18	Educational Institutions	2.00	1490.69	802.23	1.08%
19	Housing Loans (includes residential mortgages & indirect finance to Housing intermediaries)	15.00	11180.19	4906.61	6.58%
20	Commercial Real Estate	7.00	5217.42	3386.33	4.54%

INDUSTRY WISE INTERNAL (NON-FUNDED) EXPOSURE CEILINGS AND EXPOSURE AS ON 30.09.2011

TOTAL NON-FUNDED Limits AS ON 30.06.2011 (PREVIOUS QUARTER), Rs.24036.16 Cr.

(Rs. in Cr.)

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 30.09.2011	Exposure as % of Non Fund Limits of Previous Quarter i.e. 30.06.2011
1	Textiles	4.00	961.45	596.46	2.48%
2	Petroleum Products	1.00	240.36	54.80	0.23%
3	Power	15.00	3605.42	3454.97	14.37%
4	Engineering (Heavy & Light)	12.00	2884.34	2159.46	8.98%
5	NBFC	No Ceilings	---	523.87	2.18%
6	Diamonds, Gems & Jewellery	1.00	240.36	175.18	0.73%
7	Rice Mills	2.00	480.72	28.71	0.12%
8	Sugar	4.00	961.45	310.93	1.29%
9	Drugs & Pharmaceuticals	6.00	1442.17	741.57	3.09%
10	Tobacco	0.50	120.18	71.73	0.30%
11	Cement & Cement Products	2.00	480.72	103.81	0.43%
12	Distilleries	0.50	120.18	15.26	0.06%
13	Iron & Steel	14.00	3365.06	2045.49	8.51%
14	Construction & Contractors	50.00	12018.08	7010.63	29.17%
15	Software	1.00	240.36	26.52	0.11%
16	Hospitals	1.50	360.54	79.74	0.33%
17	Hotels	1.50	360.54	15.12	0.06%
18	Educational Institutions	2.00	480.72	76.72	0.32%
19	Housing Loans	No Ceilings	---	---	---
20	Commercial Real Estate	2.00	480.72	157.10	0.65%

*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 of NPA)	Investments	Foreign Currency assets
0 to 1 day	456.09	32.29	0.61
2 to 7 days	988.21	367.72	23.10
8 to 14 days	779.75	131.26	80.49
15 to 28 days	1626.22	199.45	87.35
29 days to 3 months	7805.32	1610.89	724.27
Over 3 months & upto 6 months	4941.05	86.89	523.56
Over 6 months & upto 1 year	10271.40	273.96	0.00
Over 1 year & upto 3 years	27841.47	2041.30	0.00
Over 3 year & upto 5 years	7256.35	5345.97	0.00
Over 5 years	10540.28	16358.85	0.00
Total	72506.14	26448.58	1439.38

e) **Amount of NPAs (Gross):**

(Rs. in Cr)

CATEGORY	AMOUNT
Sub-Std	1272.53
<i>Doubtful-1</i>	447.65
<i>Doubtful-2</i>	165.01
<i>Doubtful-3</i>	91.55
Loss	10.33
Total	1987.07

f) **Net NPAs:**

(Rs. in Cr)

Net NPAs	1085.67
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g) **NPA Ratios:**

(Rs. in Cr)

Gross NPA to Gross Advances (%)	2.67
Net NPA to Net Advances (%)	1.48

h) **Movement of NPAs (Gross):**

(Rs. in Cr)

(a) Opening Balance	995.64
(b) Additions during the year	1335.21
(c) Reductions during the year	343.78
(d) Closing Balance	1987.07

i) Movement of NPAs (Net)

(a) Opening Balance	273.68
(b) Additions during the year	811.99
(c) Reductions during the year	0
(d) Closing Balance	1085.67

j) Movement of Provision for NPAs:

a) Opening Balance	719.09
b) Additions during the year	338.00
c) Reductions during the year	155.75
d) Closing Balance	901.34

k) Amount of Non-Performing Investments: Rs. 0.53 cr

l) Amount of provisions held for non-performing investments : Rs. 0.53 cr

m) Movement of provisions for depreciation on investments

	Rs. in cr
(a) Opening Balance	0.53
(b) Provisions made during the period	NIL
(c) Write off	NIL
(d) Write-back of excess provisions	NIL
(d) Closing Balance	0.53

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

a) For exposure amounts after risk mitigation subject to the standardized approach, amount of bank's outstanding (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	6816.05	1241.89
100% risk weight	36502.08	12495.18
More than 100% risk weight	26162.02	3125.52
Deducted	5013.05	1382.86
Total	74493.22	18245.45

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

(Rs. in cr)

Particulars	Amount
a) Total exposure covered by eligible financial collateral after application of haircuts.	6396.22
b) Total exposure covered by guarantees Total exposure covered by credit derivatives	4266.08 Nil

Table DF-7: Securitization Exposures: Disclosure for Standardized Approach

Banking Book

- a) **The total amount of exposures securitized by the bank:** Rs.50.36 crore. The present outstanding being Rs. 6.18 cr.
- b) **For exposures securitized losses recognized 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 securitized within a year:** Nil, at this stage
- d) **Of (f), amount of assets originated within a year before securitization. :** Nil
- e) **The total amount of exposures securitized (by exposure type) and unrecognized 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 recognized by the Bank

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

Same as above

- g) **Aggregate amount of securitization 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 Securitized 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 Securitization transaction is Rs.99.84 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

	(Rs. in Cr)
Capital requirements for market risk	
- Standardized duration approach	
▪ Interest rate risk	46.29
▪ Foreign exchange risk (including gold)	15.00
▪ Equity position risk	54.65

Table DF-10: Interest Rate Risk in Banking Book

EARNINGS AT RISK

(Rs. in crore)	
Change in interest rate	Reprising upto 1 year
0.25%	12.53
0.50%	25.06
0.75%	37.59
1.00%	50.13

ECONOMIC VALUE OF EQUITY

For a 200 bps rate shock the drop in equity value (Rs. In crores)	Rs.693.39 crores
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