

**BASEL II DISCLOSURES AS ON 30/09/2009****I. SCOPE OF APPLICATION OF BASEL II DISCLOSURES****Table DF – 1: Scope of Application**

<b>2.</b>	<b>Quantitative disclosures</b>		
2.1	Aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation and that are deducted		
	Name of subsidiary	Activity	Amount of shortfall deducted (In Rs. Cr.)
a)	NIL	NA	NA
2.2	The aggregate amounts (e.g. current book value) of the Bank's total interests in insurance entities, which are risk-weighted and their name, 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		
a)	Name	IDBI Fortis Life Insurance Co. Ltd.	
b)	Country of incorporation / residence	India	
c)	Proportion of ownership interest	26 %	
d)	Proportion of voting power	26%	
e)	Quantitative impact on regulatory capital of using this method versus using the deduction	CRAR under deduction method is 18.13%, as against 18.47% under the risk weighting method.	

**II. STRUCTURE AND ADEQUACY OF CAPITAL****TABLE DF – 2: CAPITAL STRUCTURE**

<b>2</b>	<b>Quantitative Disclosures</b>					
2.1	Details of capital instruments					
	Type of capital instrument	Date of issue	Amount in Rs. Cr	Tenure in months	Coupon (% p.a.)	Rating
A	Innovative instruments (Tier I capital)		NIL			
B	Other capital instruments (Tier I)		NIL			
C	Debt capital		NIL			

	instruments eligible for inclusion in Upper Tier II capital					
D	Subordinated debt eligible for inclusion in Lower Tier II capital	Date of issue	Amount in Rs. Cr	Tenure in months	Coupon (% p.a.)	Rating
		30/08/2003	14	80	6.90	Rating by Care as 'CARE AA' and by Fitch as 'AA-(ind)'
		30/08/2003	61	104	7.10	
		26/07/2004	15	93	6.75	
		26/07/2004	30	117	6.85	
16/12/2006	200	120	9.25			
2.2	Capital funds					Amount in Rs. Crore
A	TIER I CAPITAL					
	Paid up share capital					171.03
	Reserves and Surplus					4386.19
	Amounts deducted from Tier I capital, including goodwill and investments					32.55
	Total Tier I Capital					4524.67
B	TIER II CAPITAL (Total amount net of deductions from Tier II capital)					
	Subordinated debt eligible for inclusion in Lower Tier II capital					320.00
	Total amount outstanding					320.00
	Of which, amount raised during the current year					0.00
	Amount eligible to be reckoned as capital funds					254.40
	Revaluation Reserve					2.74
	Other Tier II capital					145.04
	Deductions from Tier II capital					5.00
	Total Tier II					397.18
C	Other deductions from capital, if any.					
D	Total eligible capital					4921.85

**TABLE DF – 3: CAPITAL ADEQUACY**

<b>2. Quantitative Disclosures</b>		
2.1	Minimum capital requirements under Pillar I of Basel II	Amount in Rs. Crore.
A	Capital requirements for credit risk (@ 9% CRAR)	2094.74
	Portfolios subject to Standardized approach	2094.74
	Securitisation exposures	0.00
B	Capital requirements for market risk (Standardized duration	117.65

	approach) (@ 9% CRAR)		
	Interest rate risk		
	Foreign exchange risk (including gold)		
	Equity risk		
C	Capital requirements for operational risk (Basic Indicator Approach) (@ 9% CRAR)		185.66
2.2	Capital Adequacy Ratio (CRAR) % for consolidated group and significant bank subsidiaries (as per Basel II norms)		
	Name of entity	Total CRAR	Tier I CRAR
	The Federal Bank Ltd. (solo basis)	18.47%	16.98%
	Significant bank subsidiaries ( <i>wherever applicable, entity wise data</i> )		

### III. RISK EXPOSURE AND ASSESSMENT

**TABLE DF – 4: CREDIT RISK: GENERAL DISCLOSURES**

2.	Quantitative disclosures	Amount in Rs. Crore		
		Fund based	Non-fund based	Total
2.1	Total gross credit risk exposures (after accounting offsets in accordance with the applicable accounting regime and without taking into account the effects of credit risk mitigation techniques)	40554.70	3333.91	43888.61
2.2	Geographic distribution of exposures (same basis as adopted for segment reporting adopted for compliance with AS 17)			
	Overseas			
	Domestic	40554.70	3333.91	43888.61
2.3	Industry type distribution of exposures (with industry break up on same lines as prescribed for DSB returns)	Please refer Table 4 (A)		
2.4	Residual contractual maturity breakdown of assets (maturity bands as used in ALM returns should be used)	Please refer Table 4 (B)		
2.5	Amount of NPAs (Gross)			789.18
	Substandard			457.07
	Doubtful 1			214.08
	Doubtful 2			31.92
	Doubtful 3			18.41
	Loss			67.70
2.6	Net NPAs			137.93
2.7	NPA ratios			
	Gross NPAs to gross advances			2.99%

	Net NPAs to net advances	0.54%
2.8	Movement of NPAs (Gross)	
	Opening balance	589.54
	Additions	503.86
	Reductions	304.22
	Closing balance	789.18
2.9	Movement of provisions for NPAs	
	Opening balance	514.93
	Provisions made during the period	253.50
	Write off	123.40
	Write-back of excess provisions	
	Closing balance	645.03
2.10	Amount of Non Performing Investments	2.72
2.11	Amount of provisions held for Non Performing Investments	2.72
2.12	Movement of provisions for depreciation on investments	
	Opening balance	128.33
	Provisions made during the period	11.42
	Write-off	
	Write-back of excess provisions	109.57
	Closing balance	30.18

TABLE 4 (A): INDUSTRY TYPE DISTRIBUTION OF EXPOSURES

(Amount in Rs. Crore)

Sl. No.	Industry	Fund based	Non-fund based	Total	% to gross credit exposure
1	Coal	251.06	2.50	253.56	0.58
2	Mining	143.63	12.60	156.23	0.36
3	Iron & Steel	565.79	125.21	691.00	1.57
4	Other metal & Metal Products	323.92	21.67	345.59	0.79
5	All Engineering	293.98	262.45	556.43	1.27
6	Textiles	781.10	11.82	792.92	1.81
7	Sugar	51.81	0.22	52.03	0.12
8	Tea	4.04	-	4.04	0.01
9	Food Processing	489.89	9.22	499.11	1.14
10	Vegetable Oils	16.30	1.34	17.64	0.04
11	Tobacco & Tobacco Products	0.66	-	0.66	0.00
12	Paper & Paper products	170.17	13.10	183.27	0.42
13	Rubber & Rubber products	103.97	2.67	106.64	0.24
14	Chemicals, dyes, paints etc	1172.39	74.86	1247.25	2.84
15	Cement	22.75	1.40	24.15	0.06
16	Leather & leather products	54.63	5.34	59.97	0.14
17	Gems and Jewellery	54.90	-	54.90	0.13
18	Construction	75.82	3.79	79.61	0.18
19	Petroleum	156.83	2.51	159.34	0.36
20	Automobiles including trucks	182.18	17.00	199.18	0.45

21	Computer software	27.19	2.66	29.85	0.07
22	Infrastructure	2373.89	209.87	2583.76	5.89
23	Other Industries	662.46	-	662.46	1.51
	<b>TOTAL</b>	<b>7979.36</b>	<b>780.23</b>	<b>8759.59</b>	

As on 30th September 2009, exposure to infrastructure stands at 5.89% of the gross credit exposure of the Bank.

**TABLE 4 (B): RESIDUAL CONTRACTUAL MATURITY BREAKDOWN OF ASSETS**  
(Amount in Rs. Crore)

	Cash	Balance s with RBI	Balance s with other banks	Investmen ts	Advances	Fixed assets	Other assets	Total
Day 1	304.07	4.59	41.83	14.21	430.62	0.00	1.06	796.38
2 – 7 days	0.00	10.71	0.00	61.16	1033.11	0.00	0.00	1104.98
8-14 days	0.00	8.33	62.79	0.00	1072.01	0.00	0.00	1143.13
15-28 days	0.00	15.61	15.60	43.70	958.05	0.00	0.00	1032.96
29 days & up to 3 months	0.00	120.71	32.87	231.00	1854.90	0.00	1.11	2240.59
Over 3 months & up to 6 months	0.00	160.07	23.65	562.05	1642.73	0.00	1.31	2389.81
Over 6 months & up to 1 year	0.00	259.41	20.36	1332.88	3070.79	0.00	1.63	4685.07
Over 1 year & up to 3 years	0.00	548.12	0.00	625.27	11446.84	0.00	403.63	13023.86
Over 3 years & up to 5 years	0.00	24.13	0.00	947.65	2321.56	0.00	1.53	3294.87
Over 5 years	0.00	499.31	0.00	7926.21	1948.41	277.34	191.78	10843.05
<b>Total</b>	<b>304.07</b>	<b>1650.99</b>	<b>197.10</b>	<b>11744.13</b>	<b>25779.02</b>	<b>277.34</b>	<b>602.05</b>	<b>40554.70</b>

**TABLE DF – 5: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDIZED APPROACH**

<b>2.</b>	<b>Quantitative disclosures</b>		
	Risk weight wise details of credit risk exposures (rated and unrated) after risk mitigation subject to the Standardized Approach <i>(Credit equivalent after risk mitigation)</i>	Risk Weight	Amount in Rs. Crore
		Below 100 %	24202.38
		100 %	12868.00
		More than 100 %	1920.28
Deducted	0.00		

		Total	38990.66
--	--	-------	----------

**TABLE DF – 6: CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDIZED APPROACH**

(Amount in Rs. Crores)

<b>2.</b>	<b>Quantitative Disclosures</b>			
2.1	Total credit risk exposure covered by eligible financial collaterals			
	Exposure covered by (type of eligible collateral)	Gross exposure	Value of collateral after haircuts	Exposure net of collateral value
1	Deposit	6231.91	1319.70	4912.21
2	Gold	1163.78	866.00	297.78
3	Government Securities	200.54	68.41	132.13
4	NSC/KVP	191.95	19.27	172.68
5	Life Insurance Policies	695.79	13.45	682.34
	<b>TOTAL</b>	<b>8483.97</b>	<b>2286.83</b>	<b>6197.14</b>

**TABLE DF – 7: SECURITISATION: DISCLOSURES FOR STANDARDIZED APPROACH**

(Amount in Rs. Crore)

<b>2.</b>	<b>Quantitative disclosures:</b>	
2.1	Outstanding exposures securitized by the Bank and subject to the securitisation framework (details of transactions originated by the Bank but not retained shall be reported separately for the year of inception)	
A	Exposure type wise breakup	
	Bank has not originated securitisation of any of its exposures and Bank's securitisation exposure is limited to investment in Pass Through Certificates to the tune of Rs. 5.11 Crore held in the trading book.	
B	Amount of impaired / past due assets securitized	
	Not applicable.	
C	Losses recognized by the Bank during the current period (exposure type wise details)	NIL
2.2	Aggregate amount of securitisation exposures retained or purchased by the Bank	
A	Exposure type wise break up	
	Investment in Pass Through Certificates (held in trading book)	5.11
B	Risk weight wise break up	
	Risk weight below 100% ( <i>Market risk</i> )	5.11
	Risk weight 100%	-----
	Risk weight above 100%	-----
C	Total amount of deductions from capital on account of securitisation exposures	NIL
	Deducted entirely from Tier I capital – underlying exposure type	NIL

	wise break up				
	Credit enhancing interest only strips (I/Os) deducted from total capital – underlying exposure type wise break up			NIL	
	Other exposures deducted from total capital – underlying exposure type wise break up			NIL	
2.3	Comparative position of securitisation activities of the Bank				
A	Underlying asset type wise details of loan assets securitized (Number and Book Value)	Previous Fiscal		Current Fiscal	
		No.	Amt in Rs. Cr.	No.	Amt in Rs. Cr.
	Bank has not securitized any of its assets till date.	----	-----	---	-----
B	Sale consideration received for the securitized assets		-----		-----
C	Gain / loss on sale on account of securitisation		-----		-----
D	Form and quantum (outstanding value) of services provided by the Bank as -	Previous Fiscal (Amt in Rs. Cr.)		Current Fiscal (Amt in Rs. Cr.)	
	Credit enhancement	-----		-----	
	Liquidity support	-----		-----	
	Post-securitisation asset servicing	NIL		NIL	
	Other services (separately for each type of service)	NIL		NIL	

**TABLE DF – 8: MARKET RISK IN TRADING BOOK**

(Amount in Rs. Crore)

<b>2.</b>	<b>Quantitative disclosures</b>	
2.1	Minimum capital requirements for market risk as per Standardized Duration Approach under Basel II	117.65
	Interest rate risk	76.28
	Foreign exchange risk (including gold)	4.50
	Equity position risk	36.87

**TABLE DF – 10: INTEREST RATE RISK IN BANKING BOOK (IRRBB)**

<b>2.</b>	<b>Quantitative disclosures - Impact of interest rate risk</b>	
2.1	Earnings perspective (Traditional Gap Analysis)	
	Earnings at Risk (EaR) – impact for one year due to	
	Uniform 1% increase in interest rate (Amt in Rs. Cr.)	NIL
	Uniform 1% decrease in interest rate (Amt in Rs. Cr.)	69.47 Crore
2.2	Economic value perspective – percentage and quantum of	5.67%

	decrease in market value of equity on account of 1% uniform increase in interest rate	279.17 Cr.

**TABLE DF – 11: ADDITIONAL DISCLOSURES AS PER ICAAP**

<b>2.</b>	<b>Quantitative Disclosures</b>	
2.1	Additional capital requirements under ICAAP	Amt in Rs. Cr.
	Credit risk – over and above Pillar I capital charge	0.00
	Sectoral credit concentration risk	0.00
	Geographical credit concentration risk	62.42
	Interest rate risk	0.00
	Liquidity risk	0.00