

BASEL II DISCLOSURES AS ON 30th SEPTEMBER 2011

SCOPE OF APPLICATION OF BASEL II DISCLOSURES

Scope of Application

1.	Quantitative disclosures		
1.1	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 ₹ Cr.)
a)	NIL	NA	NA
1.2	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		
a)	Name	IDBI Federal 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 14.58%, as against 15.05% under the risk weighting method.	

STRUCTURE AND ADEQUACY OF CAPITAL

CAPITAL STRUCTURE

2	Quantitative Disclosures					
2.1	Details of capital instruments					
	Type of capital instrument	Date of issue	Amount in ₹ 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					

	instruments eligible for inclusion in Upper Tier II capital		NIL			
D	Subordinated debt eligible for inclusion in Lower Tier II capital	Date of issue	Amount in ₹ Cr	Tenure in Months	Coupon (% p.a.)	Rating
		30.08.03	61	104	7.10	Rating by Care as 'CARE AA' and by Fitch as 'AA-(ind)'.
		26.07.04	30	117	6.85	
		26.07.04	15	93	6.75	
		16.12.06	200	120	9.25	
2.2	Capital funds					Amount in ₹ Crore
A	TIER I CAPITAL					5085.53
	Paid up share capital					171.05
	Reserves and Surplus					4931.98
	Innovative instruments (IPDI or any other instrument that may be allowed from time to time)					NIL
	Other capital instruments					NIL
	Amounts deducted from Tier I capital, including goodwill and investments					17.50
B	TIER II CAPITAL (Total amount net of deductions from Tier II capital)					369.42
	Debt capital instruments eligible for inclusion in Upper Tier II capital					NIL
	Total amount outstanding					NIL
	Of which, amount raised during the current year					NIL
	Amount eligible to be reckoned as capital funds					NIL
	Subordinated debt eligible for inclusion in Lower Tier II capital					306.00
	Total amount outstanding					306.00
	Of which, amount raised during the current year					NIL
	Amount eligible to be reckoned as capital funds					212.00
	Other Tier II capital					174.92
	Revaluation Reserve					2.53
	General Provisions					172.39
	Deductions from Tier II capital					17.50
C	Other deductions from capital, if any.					NIL
D	Total eligible capital					5454.95

CAPITAL ADEQUACY

3. Quantitative Disclosures			
3.1	Minimum capital requirements under Pillar I of Basel II	Amount in ₹ Crore.	
A	Capital requirements for credit risk (@ 9% CRAR)	2733.05	
	Portfolios subject to Standardized approach	2733.05	
	Securitisation exposures	0.00	
B	Capital requirements for market risk (Standardized duration approach) (@ 9% CRAR)	251.47	
	Interest rate risk	106.88	
	Foreign exchange risk (including gold)	18.00	
	Equity risk	126.59	
C	Capital requirements for operational risk (Basic Indicator Approach) (@ 9% CRAR)	277.59	
3.2	Capital Adequacy Ratio (CRAR) % for consolidated group (<i>consolidation only for annual disclosures</i>) and significant bank subsidiaries		
	Name of entity	Total CRAR	Tier I CRAR
	The Federal Bank Ltd. (solo basis)		

CREDIT RISK: GENERAL DISCLOSURES (TABLE A)

4. Quantitative disclosures				
		Amount in ₹ Crore		
		Fund based (same as total assets in Balance Sheet)	Non-fund based (Book value, excluding market related OBS contracts and undrawn exposures)	Total
4.1	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)	57703.54	5371.16	63074.70
4.2	Geographic distribution of exposures (same basis as adopted for segment reporting adopted for compliance with AS 17)			
	Overseas			
	Domestic	57703.54	5371.16	63074.70
4.3	Industry type distribution of exposures (with industry break up on same lines as prescribed for DSB returns)	Please refer Table (B)		
4.4	Residual contractual maturity breakdown of assets (maturity bands as used in ALM returns should be used)	Please refer Table (C)		

4.5	Amount of NPAs (Gross)	1250.26
	Substandard	605.04
	Doubtful 1	278.64
	Doubtful 2	181.01
	Doubtful 3	22.43
	Loss	163.14
4.6	Net NPAs	195.72
4.7	NPA ratios	
	Gross NPAs to gross advances	3.61
	Net NPAs to net advances	0.58
4.8	Movement of NPAs (Gross)	
	Opening balance (<i>balance as at the end of previous Fiscal</i>)	1148.33
	Additions during the period	464.87
	Reductions	362.94
	Closing balance	1250.26
4.9	Movement of provisions for NPAs	
	Opening balance (<i>balance as at the end of previous Fiscal</i>)	942.34
	Provisions made during the period (net)	174.64
	Write off / Write-back of excess provisions (net)	79.61
	Closing balance	1037.37
4.10	Amount of Non Performing Investments	0.00
4.11	Amount of provisions held for Non Performing Investments	0.00
4.12	Movement of provisions for depreciation on investments	0.00
	Opening balance (<i>balance as at the end of previous Fiscal</i>)	16.50
	Provisions made during the period	38.63
	Write-off	0.00
	Write-back of excess provisions	0.00
	Closing balance	55.13

INDUSTRY TYPE DISTRIBUTION OF EXPOSURES (TABLE B)

(Amount in ₹ Crore)

Sl. No.	Industry	Gross lending exposures, without netting			% to gross credit exposure as per Table A
		Fund based	Non-fund based	Total	
1	Mining & Quarrying	169.42	8.11	177.53	0.28%
2	Food Processing	700.36	5.6	705.96	1.12%
3	Beverages & Tobacco	17.80	0.00	17.80	0.03%
4	Textiles	788.76	5.69	794.45	1.26%
5	Leather & Leather products	65.25	1.80	67.05	0.11%
6	Paper & Paper products	214.17	1.35	215.52	0.34%
7	Petroleum, Coal products & Nuclear Fuels	1357.71	1.26	1358.97	2.15%

8	Chemicals & Chem prod.	573.59	1.14	574.73	0.91%
9	Rubber, Plastic & their products.	138.66	0.26	138.92	0.22%
10	Cement & Cem. Products	42.47	1.40	43.87	0.07%
11	Basic Metal & Metal products	1338.94	20.33	1359.27	2.16%
12	All Engineering	465.64	237.80	703.44	1.12%
13	Vehicles, parts and Transport equipments	113.20	0.05	113.25	0.18%
14	Gems& Jewellery	22.35	0.00	22.35	0.04%
15	Construction	98.34	3.56	101.90	0.16%
16	Infrastructure	3957.11	77.00	4034.11	6.40%
17	Other industries	655.54	0.00	655.54	1.04%
	TOTAL	10719.31	365.35	11084.66	

As on 30th September 2011, only exposure to infrastructure exceeds 5% of the gross credit exposure of the Bank.

RESIDUAL CONTRACTUAL MATURITY BREAKDOWN OF ASSETS (TABLE C)
(Amount in ₹ Crore)

	Cash	Balances with RBI	Balances with other banks	Investments	Advances	Fixed assets	Other assets	Total
Day 1	394.75	6.26	66.00	1248.29	1054.68	0.00	1.18	2771.16
2 – 7 days	0.00	26.99	17.15	2102.42	210.76	0.00	0.00	2357.32
8-14 days	0.00	11.52	9.42	1116.57	251.70	0.00	0.00	1389.21
15-28 days	0.00	24.78	30.38	898.30	1023.79	0.00	0.01	1977.26
29 days & up to 3 months	0.00	277.67	162.71	766.43	2067.63	0.00	1.80	3276.24
Over 3 months & up to 6 months	0.00	398.90	9.00	1247.10	3162.46	0.00	2.16	4819.62
Over 6 months & up to 1 year	0.00	473.88	1.25	1940.20	3428.86	0.00	2.55	5846.74
Over 1 year & up to 3 years	0.00	1011.42	0.00	3288.97	16698.58	0.00	841.15	21840.12
Over 3 years & up to 5 years	0.00	25.34	0.00	1651.11	3046.46	0.00	2.34	4725.25
Over 5 years	0.00	726.81	0.00	4538.72	2661.77	289.23	484.09	8700.62
Total	394.75	2983.57	295.91	18798.11	33606.69	289.23	1335.28	57703.54

DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDIZED APPROACH

5. Quantitative disclosures	Risk weight wise details of credit risk exposures (rated and unrated) after risk mitigation subject to the Standardized Approach (Credit equivalent amount of all exposures subjected to Standardized Approach, after risk mitigation)	Risk Weight	Amount in ₹ Crores
		Below 100 %	33934.17
		100 %	15735.67
		More than 100 %	3493.57
		Deducted	0.00
		Total	53163.41

CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDIZED APPROACHES

6. Quantitative Disclosures	(₹ In Crores)			
6.1	Credit risk exposure covered by eligible financial collaterals			
	Type of exposure	Credit equivalent of gross exposure	Value of eligible financial collateral after haircuts	Net amount of credit exposure
A	Loans and advances	4299.14	3835.77	463.37
B	Non-market related off balance sheet items	5004.60	500.84	4503.76
C	Securitisation exposures – on balance sheet	0.00	0.00	0.00
D	Securitisation exposures – off balance sheet	0.00	0.00	0.00
	TOTAL	9303.74	4336.61	4967.13
6.2	Credit risk exposure covered by guarantees			
	Type of exposure	Credit equivalent of gross exposure	Amount of guarantee (credit equivalent)	
A	Loans and advances	2089.80	1882.95	
B	Non-market related off balance sheet items	151.83	133.32	
C	Securitisation exposures – on balance sheet	0.00	0.00	
D	Securitisation exposures – off balance sheet	0.00	0.00	
	TOTAL	2241.63	2016.27	

SECURITISATION EXPOSURES: DISCLOSURE FOR STANDARDIZED APPROACH

7. Quantitative disclosures		(₹ In Crores)						
7.1	In the Banking Book							
A	Total amount of exposures securitized by the Bank							Nil
B	For exposures securitized, losses recognized by the Bank during the current period (<i>exposure type wise break up</i>)							Nil
C	Amount of assets intended to be securitized within a year							Nil
D	Of (C) above, amount of assets originated within a year before securitisation							Nil
E	Securitisation exposures (by exposure type) and unrecognized gain or losses on sale thereon							
	Type of exposure	Amount securitized			Unrecognized gain / loss			
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
	TOTAL							
F	Aggregate amount of on-balance sheet securitisation exposures retained or purchased by the Bank (exposure type wise breakup)							Nil
G	Aggregate amount of off-balance sheet securitisation exposures (exposure type wise breakup)							Nil
H	Aggregate amount of securitisation exposures retained or purchased and associated capital charges (exposure type wise and risk weight wise breakup)							
	Type of exposure	Risk weights						
		20%	30%	50%	100%	150%	350%	400%
	Nil	-----	-----	-----	-----	-----	-----	-----
I	Total amount of deductions from capital on account of securitisation exposures							Nil
	Deducted entirely from Tier I capital – underlying exposure type wise break up							Nil
	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
7.2	In the Trading Book							
A	Aggregate amount of exposures securitized by the Bank for which the Bank has retained some exposures, which is subject to Market Risk approach (exposure type wise details)							
	Type of exposure	Gross amount			Amt retained			
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
B	Aggregate amount of on-balance sheet securitisation exposures retained or purchased by the Bank (exposure type wise breakup)							
	Type of exposure						Amt in ₹ Cr.	
	Investment in Pass Through Certificates							Nil

C	Aggregate amount of off-balance sheet securitisation exposures (exposure type wise breakup)	Nil	
D	Securitisation exposures retained / purchased subject to Comprehensive Risk Measure for specific risk	-----	
E	Securitisation exposures retained / purchased subject to specific risk capital charge (risk weight band wise distribution)		
	Type of exposure	Capital charge as % to exposure	Exposure (₹ Cr.)
	Investment in Pass Through Certificates	Nil	Nil
G	Aggregate amount of capital requirements for securitisation exposures (risk weight band wise distribution)		
	Type of exposure	Capital charge as % to exposure	Capital charge (₹ Cr.)
	Investment in Pass Through Certificates	Nil	Nil
H	Total amount of deductions from capital on account of securitisation exposures	Nil	
	Deducted entirely from Tier I capital – underlying exposure type wise break up	Nil	
	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	

MARKET RISK IN TRADING BOOK

(Amount in ₹ Crores)

8.	Quantitative disclosures	
8.1	Minimum capital requirements for market risk as per Standardized Duration Approach under Basel II	251.47
	Interest rate risk	106.88
	Foreign exchange risk (including gold)	18.00
	Equity position risk	126.59

INTEREST RATE RISK IN BANKING BOOK (IRRBB)

9.	Quantitative disclosures - Impact of interest rate risk	
9.1	Earnings perspective (Traditional Gap Analysis)	
	Earnings at Risk (EaR) – impact for one year due to	
	Uniform 1% increase in interest rate (Amt in ₹ Cr.)	Nil
	Uniform 1% decrease in interest rate (Amt in ₹ Cr.)	124.64
9.2	Economic value perspective – percentage and quantum of decrease in market value of equity on account of 1% uniform increase in interest rate	4.37% ₹238.33 Cr

ADDITIONAL DISCLOSURES AS PER ICAAP

10.	Quantitative Disclosures	(₹ In Crores)
10.1	Additional capital requirements under ICAAP	
	Credit risk –over and above Pillar I capital charge	0.00
	Sectoral credit concentration risk	54.37
	Geographical credit concentration risk	64.11
	Interest rate risk	0.00
	Liquidity risk	5.08