

RISK MANAGEMENT DEPARTMENT, HEAD OFFICE, THOOTHUKUDI.

Additional Disclosures in Terms of Compliance of Basel II requirements as stipulated by Reserve Bank of India as on 30.09.2012

Table DF-1 – Scope of application

| Quantitative Disclosures | |
|---|----------------|
| c. 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. | Not Applicable |
| d. 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 | Not applicable |

Table DF-2 - Capital Structure

(₹ in crore)

| Quantitative Disclosures | |
|---|---------|
| a. The amount of Tier 1 capital, with separate disclosure of: | 1603.41 |
| • Paid up share capital | 0.28 |
| • Reserves | 1602.62 |
| • Surplus unallocated | 0.51 |
| • Innovative instruments (Perpetual Debt Instrument as Tier 1 capital) | Nil |
| • Other capital instruments | Nil |
| • Amounts deducted from Tier 1 capital, including goodwill and investments | Nil |
| b. The total amount of Tier 2 capital (net of deductions from Tier 2 capital) | 81.59 |
| c. Debt capital instruments eligible for inclusion in Upper Tier 2 capital | |
| • Total amount outstanding | Nil |
| • Of which amount raised during the current year | Nil |
| • Amount eligible to be reckoned as capital funds | Nil |
| d. Subordinated debt eligible for inclusion in Lower Tier 2 Capital | |
| • Total amount outstanding | Nil |
| • Of which amount raised during the current year | Nil |
| • Amount eligible to be reckoned as capital funds | Nil |
| e. Other deductions from capital, if any | NIL |
| f. Total eligible capital | 1685.00 |

Table DF-3 - CAPITAL ADEQUACY

Quantitative Disclosure

a) **Capital Requirements for Credit Risk: Standardized Approach**

(₹ in crore)

| | |
|---|--------|
| Portfolios subject to Standardized Approach | 952.87 |
| Securitization Exposures | NIL |
| Total | 952.87 |

b) Capital Requirements for Market Risk: Standardized Duration Approach

₹ in Crore)

| | |
|--|-------|
| Interest Rate Risk | 34.12 |
| Foreign Exchange Risk (Including Gold) | 2.70 |
| Equity Risk | 3.29 |
| Total | 40.11 |

c) Capital Requirements for Operational Risk: Basic Indicator Approach

| | |
|------------------|----------------|
| Operational Risk | ₹ 107.02 crore |
|------------------|----------------|

d) Total Capital Ratio for the Bank

| | |
|------------------------|-------|
| Capital Adequacy Ratio | 13.79 |
| Tier I capital Ratio | 13.12 |
| Tier II capital Ratio | 0.67 |

e) Minimum capital required to be maintained as per prudential floor norms

| | |
|---|-----------|
| Total available Eligible Capital | ₹ 1685.00 |
| Minimum capital requirement calculated as per Basel I norms | ₹ 1302.97 |
| Minimum Capital requirement as per prudential floor norms (i.e. 80% of minimum capital computed as per Basel I norms) | ₹ 1042.38 |
| Minimum capital requirement as per revised Framework (Basel II) | ₹ 1100.00 |

Table DF – 4 - CREDIT RISK: GENERAL DISCLOSURES

| Quantitative Disclosures | ₹ in crore) | |
|---|---------------------------|---------------------|
| | Applicability to our Bank | |
| a. Total gross credit risk exposures, Fund based and Non-Fund based separately | FB NFB | 15340.83 5156.01 |
| b. Geographic distribution of exposures, Fund based and Non-Fund based separately | FB | NFB |
| • Domestic | 15340.83 | 5156.01 |
| • Overseas | - | - |
| c. Industry type distribution of exposures, fund based and non-fund based separately. | Annexed | |
| d. Residual contractual maturity breakdown of assets | Annexed | |
| e. Amount of NPAs (Gross) | | |
| • Substandard | 123.03 | |
| • Doubtful | 83.86 | |
| • Of which DF1 | 25.78 | |
| • DF2 | 25.23 | |
| • Df3 | 32.85 | |
| • Loss | 26.52 | |
| f. Net NPAs | 88.69* | |
| g. NPA Ratios | | |
| • Gross NPAs to gross advances | 1.52 | |
| • Net NPAs to net advances | 0.58 | |
| h. Movement of NPAs (Gross) | | |
| • Opening Balance | 198.81 | |
| • Additions | 61.16 | |
| • Reductions | 26.56 | |

| | |
|--|--------|
| • Closing Balance | 233.41 |
| j. Movement of provisions for NPAs | |
| • Opening Balance | 117.86 |
| • Provisions made during the period | 38.35 |
| • Write off | - |
| • Reductions | 12.73 |
| • Write back of excess provisions / Transfers | - |
| • Closing Balance | 143.48 |
| k. Amount of Non-Performing investments | - |
| l. Amount of provisions held for non-performing investments | - |
| m. Movement of provisions for depreciation on investments | - |
| • Opening Balance | 18.75 |
| • Provisions made during the period | 0.08 |
| • Write-off | - |
| • Write-back of excess provisions | - |
| • Closing Balance | 18.83 |

*claims received from ECGC/DICGC of ₹ 1.24 crore have been deducted to arrive at net NPA

Residual Contractual Maturity Breakdown of assets

(₹ in crore)

| Day1 | 2-7D | 8-14D | 15-28D | 29D-3M | 3-6M | 6M-1 Year | >1 to 3 Years | >3 to 5 Years | >5 Years |
|--------|--------|--------|--------|---------|---------|--------------|------------------|------------------|-------------|
| 567.63 | 393.13 | 381.37 | 538.49 | 2620.40 | 3610.73 | 5510.76 | 5120.90 | 2249.06 | 1579.11 |

(Covers Gross Assets for Domestic Operations)

INDUSTRY WISE EXPOSURES

(₹ in crore)

| Industry Name | Outstanding |
|--|-------------|
| Mining and Quarrying (incl. Coal) | 68.25 |
| Food Processing | 210.45 |
| Sugar | 42.71 |
| Edible Oils and Vanaspathi | 56.37 |
| Tea | 0.01 |
| Others | 111.36 |
| Beverage & Tobacco | 16.37 |
| Textiles | 1637.03 |
| Cotton Textiles | 1212.51(*) |
| Jute Textiles | 1.52 |
| Man-Made Textiles | 1.38 |
| Other Textiles | 421.62 |
| Leather & Leather Products | 17.90 |
| Wood and Wood Products | 48.17 |
| Paper & Paper Products | 86.69 |
| Petroleum, Coal Products and Nuclear Fuels | 53.19 |
| Chemicals and Chemical Products | 140.81 |
| Fertiliser | 2.14 |
| Drugs & Pharmaceuticals | 17.84 |
| Petro Chemicals | 0.13 |
| Others | 120.70 |
| Rubber, Plastic & their Products | 41.92 |
| Glass and Glass Ware | 0.68 |
| Cement and Cement Products | 77.15 |
| Basic Metal and Metal Products | 366.44 |
| Iron and Steel | 250.96 |
| Other Metal and Metal Products | 113.47 |
| All Engineering | 96.85 |

| | |
|--|----------------|
| Electronics | 22.84 |
| Others | 74.01 |
| Vehicles, Vehicle Parts and Transport Equipments | 6.02 |
| Gems & Jewellery | 12.96 |
| Construction | 81.79 |
| Infrastructure | 1060.05 |
| Power | 745.67 |
| Roads & Ports | 290.03 |
| Other Infrastructure | 24.35 |
| Other Industries | 737.09 |
| INDUSTRY (Total of Small, Medium and Large Scale) | 4757.83 |

(*) industries having exposure more than 5% of gross credit exposure (both fund based and Non fund based) ₹20496.84cr

Table DF – 5

CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH

Quantitative Disclosures

The following are exposure and risk weighted assets of Borrowers who were externally rated by the agencies above mentioned.

| | |
|-----------------|-----------------------------|
| Exposure | Risk weighted Assets |
| ₹ 2658.63 crore | 2247.10 |

Risk weight wise exposure and risk weighted assets for fund based exposure of the bank

(in crore)

| Risk Weight | As on 30.09.2012 | | |
|-----------------------|--------------------------|----------------|------------------------------|
| | Bal o/s (Amount in ₹) | RWA | % of RWA to gross advance |
| 0% | 4680.52 | 0 | 0 |
| 20% | 525.27 | 105.05 | 0.68 |
| 30% | 166.73 | 50.02 | 0.33 |
| 50% | 1304.94 | 609.92 | 3.98 |
| 75% | 4104.19 | 3061.13 | 19.95 |
| 100% | 2770.92 | 2732.05 | 17.81 |
| 125% | 964.08 | 1204.79 | 7.85 |
| 150% | 623.83 | 927.55 | 6.05 |
| 175% | 200.35 | 350.61 | 2.29 |
| Gross advances | 15340.83 | 9041.12 | 58.94 |

Table DF – 6

CREDIT RISK MITIGATION: DISCLOSURE FOR STANDARDISED APPROACH

Quantitative Disclosures: (DF6)

(₹ in crore)

| | |
|---|-----------------|
| Total Eligible Financial Collateral after application of haircuts (both for Fund based and Non fund Based limits) | ₹ 6297.20 crore |
| Net amount of Financial collaterals used for risk mitigation | ₹ 5462.91 crore |

Table DF – 7- Securitization: disclosure for standardized approach

Quantitative Disclosures

| |
|--|
| The bank does not have any securitization exposure |
|--|

Table DF-8**MARKET RISK: DISCLOSURES RELATING TO MARKET RISK IN TRADING BOOK****Quantitative Disclosures:**

- a) In line with the RBI's guidelines, the bank has computed capital for market risk as per Standardized Duration Approach (SDA) of Basel II framework for maintaining capital.

(₹ in crore)

| Type of Market Risk | Risk Weighted Asset (Notional) | Capital Requirement |
|-----------------------|--------------------------------|---------------------|
| Interest Rate Risk | 379.13 | 34.1220 |
| Equity Position Risk | 36.61 | 3.2948 |
| Foreign Exchange Risk | 30.00 | 2.7000 |
| Total | 445.74 | 40.1168 |

Table DF – 9 - OPERATIONAL RISK: GENERAL DISCLOSURES**Quantitative Disclosures:**

- a) In line with the final guidelines issued by RBI, our Bank has adopted the Basic Indicator Approach for computing capital for Operational Risk. As per the guidelines, the capital for Operational Risk is equal to the average over the previous three years of 15% of positive annual Gross Income as defined by RBI. As per such estimate, the capital requirement for operational risk as on 30.09.2012 is Rs.107.02 Crore.

Table DF – 10 - INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)**Quantitative Disclosures:**

The increase or decrease in earnings and economic value for upward and downward rate shocks based on the risk sensitive assets and liabilities outstanding as on 30.09.2012 are as follows.

- § Earnings at Risk on Net interest income for 100 Basis points interest rate shock is 2.05% on Net Interest income (NII).
- § Change in Market Value of Equity for 200 basis points interest rate shock is 17.82%

* * * *