

Disclosures under Pillar 3 in terms of New Capital Adequacy Framework (Basel II) of Reserve Bank of India – as on 30th September 2012

Table DF-1: Scope of Application

Bank is having 20% or more stakes in the following domestic entities.

Sl. No.	Name of the Entity	Extent of Ownership
1	Durg Rajnandgaon Gramin Bank	35.00%
2	Dena Gujarat Gramin Bank	35.00%

Table DF-2 : Capital structure

a. The Tier 1 capital of the Bank consists of paid up equity capital, Innovative Perpetual Debt Instruments (IPDI) and various types of reserves (excluding Revaluation Reserves).

Tier 2 capital consists of Revaluation Reserves, General Loss Reserve and Provisions on Standard Assets, Upper Tier 2 Capital and Lower Tier 2 capital.

The Bank has issued IPDIs (Tier 1 capital) and Upper Tier 2 and Lower Tier 2 Bonds (Tier 2 capital) at different periods. The details are as under:

Innovative Perpetual Debt Instruments:

Tier I Perpetual Bond Series I

Date of Allotment	Bond Amount (₹ In Crores)	Coupon Rate	Tenor	Call Option	Put Option	Rating
31.12.2007	125.00	10.05%	Perpetual	After 10 years & every interest payment date thereafter (with prior approval of RBI)	None	CRISIL AA/Stable FITCH A- (Ind)

Tier I Perpetual Bond Series II

Date of Allotment	Bond Amount (₹. In Crores)	Coupon Rate	Tenor	Call Option	Put Option	Rating
28.05.2009	125.00	9.00%	Perpetual	After 10 years (with prior approval of RBI)	None	CRISIL AA/Stable CARE AA

Upper Tier 2 Capital:

Date of Allotment	Bond Amount (₹ In Crores)	Coupon Rate	Tenor	Call Option	Put Option	Rating
30.09.2006	300.00	9.20%	180 months	After 10 years (with prior approval of RBI)	None	CRISIL AA/Stable FITCH A-(Ind)

Lower Tier 2 Capital:

Date of Allotment	Bond Amount (₹. In Crores)	Coupon Rate	Tenor	Call Option	Put Option	Rating
31.03.2004	150.00	6.20%	109 months	None	None	CARE AA+
31.03.2005	210.00	7.30%	109 months	None	None	CARE AA+
25.03.2008	106.00	9.25%	122 months	None	None	CRISIL AA+/Stable FITCH AA-(Ind)
30.09.2008	300.00	11.20%	127 months	None	None	CRISIL AA+/Stable
29.01.2009	200.00	9.50%	120 months	None	None	CRISIL AA+/Stable CARE AA+
25.06.2012	850.00	9.23%	180 months	After 10 years (with prior approval of RBI)	None	CRISIL AA+/Stable CARE AA+

b. The Tier 1 capital of the bank is as under: (₹ in crore)

Total Tier 1 Capital		4404.94
Out of which:		
Paid up capital		350.06
IPDI		250.00
Add: Reserve		
Capital (HTM) Reserve	114.40	
Statutory Reserve	1168.64	
Special Reserve	132.00	
Share Premium	883.01	
Revenue Reserve	1643.40	
Total Reserves		3941.45
Less : Deductions		

Deferred Tax Assets	93.62	
Other Intangible Assets	18.79	
Investment in Subsidiaries	24.16	
Total Deductions		136.57

c. The Tier 2 capital of the bank is as under: (₹ in crore)

Total Tier 2 Capital		2147.06
Property Revaluation	81.37	
Debt Capital Eligible for Upper Tier II Capital	300.00	
General Provisions	282.58	
Subordinated Term Debt	1498.00	
Excess Provision on sale of NPA Assets	9.27	
Gross Tier 2 Capital		2171.22
Less : Deductions		
Investment in Subsidiaries	24.16	
Total Deductions		24.16

d. The debt capital instruments eligible for inclusion in Upper Tier II capital are:

	₹ in crore
Total amount outstanding	300.00
Of which : raised during the period ending 30 th September 2012	Nil
Amount eligible to be reckoned as capital	300.00

e. Subordinated debt capital instruments eligible for inclusion in Lower Tier II capital are:

	₹ in crore
Total amount outstanding	1816.00
Of which raised during the period ending 30 th September	850.00
Amount eligible to be reckoned as capital	1498.00

f. For computation of Capital Adequacy, a deduction of ₹ 24.16 crore has been made from Tier II Capital towards Bank's stake in the 2 Gramin banks.

g. The total eligible capital comprises of:

	(₹ in crore)
Tier I	4404.94
Tier II	2147.06
Total	6552.00

Table DF-3 : Capital Adequacy

The Bank's Minimum Capital Requirement and Actual level of capital & Capital Adequacy as on 30.09.2012 are as under:

(₹ in crore)

(i)	Capital requirement for Credit risk	4120.15
	Capital requirement for Credit Risk	4120.15
	Securitisation exposures	0.00
(ii)	Capital requirement for Market risk in respect of:	245.08
	Capital requirement for Interest Rate Risk	210.89
	Capital requirement for Foreign Exchange risk (including gold)	4.50
	Capital requirement for Equity Risk	24.69
	Capital requirement for FFC	5.00
(iii)	Capital requirement for Operational Risk:	327.95
	Capital requirement for Operational Risk under Basic indicator approach	327.95
(iv)	Capital Requirement for Other Exposures	202.80
	Capital requirements for exposures to banks	5.36
	Capital requirement for Fixed Assets	35.92
	Capital requirement for Other Assets	50.68
	Capital requirement for items in respect of which Bank is contingently liable	110.84
(v)	Total Capital	
	Minimum Capital Requirement for Credit, Market ,Operational Risk and Other Risks	4895.98
	Actual Position of Total Eligible capital	6552.00
	Eligible Tier I Capital	4404.94
	Eligible Tier II Capital	2147.06
(vi)	CRAR	
	CRAR	12.05 %

	Tier I Capital to RWA	8.10 %
	Tier II Capital to RWA	3.95 %

Table DF- 4 : Credit Risk : General disclosures

e. The Quantitative Disclosures in respect of Credit Risk are as under:

(₹ In crore)

Sl. No.		Fund Based
(i)	Total credit (Net of provision)	58851.52
(ii)	Geographic Distribution of Advances.	
	➤ Overseas	0.00
	➤ Domestic	58851.52
(iii)	Industry type distribution of domestic exposures	Fund Based Outstanding
	Mining & Quarrying (incl. Coal)	33.49
	Iron & Steel	2862.50
	Other Metal & Metal Products	490.10
	All Engineering	1990.96
	Cotton Textile	735.75
	Jute Textile	2.80
	Other Textiles	1321.72
	Sugar	124.22
	Tea	0.48
	Food Processing	727.38
	Vegetable oils (incl. Vanaspati)	285.02
	Paper & Paper Products	292.21
	Rubber , Plastic & Products	438.06
	Chemical, Dyes, Paints & Pharmaceutical of which:	1665.27
	➤ Fertilizers	85.59
	➤ Petro- Chemical	933.49
	➤ Drug & Pharmaceuticals	240.99
	Cement	550.60
	Leather & Leather Products	302.02
	Gems & Jewellery	653.26
	Construction	188.49
	Petroleum , Coal Products and Nuclear Fuels	72.39
	Vehicles, Vehicles Parts & transport Equipments	293.69
	Computer Software	161.17
	Infrastructure of which:	11542.77

	➤ Power	8612.13
	➤ Telecommunications	835.65
	➤ Road & Ports	703.98
	➤ Other Infrastructure	2178.16
	NBFCs	5739.49
	Trading	1810.30
	Beverage & Tobacco	3.72
	Wood & Wood Products	77.07
	Other Industries	2178.16

f. Residual Contractual Maturity Breakdown of Assets as on 30th September 2012.
(₹ In crore)

Maturity Pattern	Advances	Investments
1 day (next day)	87.52	42.32
2 to 7 days	557.71	411.88
8 to 14 days	612.91	292.01
15 to 28 days	803.79	184.09
29 days and up to 3 months	5247.87	2116.35
Over 3 months & up to 6 months	4451.04	2597.06
Over 6 months & up to 1 year	2927.36	2672.03
Over 1 year & up to 3 years	18789.83	14444.01
Over 3 years & up to 5 years	6862.14	2312.70
Over 5 years	18511.35	1972.80
Total	58851.52	27045.25

g. Disclosure in respect of Non-performing Advances and Investments:

a. Gross NPA

Category	(₹ In Crore)
Sub Standard	562.49
Doubtful – 1	227.03
Doubtful – 2	223.19
Doubtful – 3	65.65
Loss	92.19
Total NPA	1170.54

b. The amount of net NPA is ₹ 720.56 Crore

c. The NPA ratios are as under:

- Gross NPAs to Gross Advances - 1.97 %
- Net NPAs to Net Advances - 1.22 %

d. The movement of gross NPAs is as under

Sl. No.	Particulars	₹ In Crore
(i)	Opening Balance at the beginning of the year	1076.13
(ii)	Addition during the period	288.45
(iii)	Reduction during the period	194.04
(iv)	Closing Balance as at the end of the half year ended 30 th September 2012 (i + ii – iii)	1170.54

f. The movement of provision for NPA is as under:

Sl. No.	Particulars	₹ In Crore
(i)	Opening Balance at the beginning of the year	382.45
(ii)	Provision made during the period	154.78
(iii)	Write-off made during the period	89.16
(iv)	Write-back of excess provisions made during the year	--
(v)	Closing Balance as at the end of the year (i+ii-iii-iv)	448.07

g. The amount of non-performing investments is ₹ 63.09 crore.

h. The amount of provisions held for non-performing investments is ₹ 63.09 crore

i. The movement of provisions for depreciation on investments is as under:

Sl. No.	Particulars	₹ In Crore
(i)	Opening Balance at the beginning of the year	117.54
(ii)	Provision made during the half year ended 30.09.2012 (written back / reversed)	-2.73
(iii)	Write-off made during the half year ended 30.09.2012	0.00
(iv)	Depreciation adjusted by reducing book value of Investment under AFS/ HFT category shifted to HTM	0.00
(v)	Closing Balance as at the end of the Half year ended 30.09.2012 (i+ ii – iii - iv)	114.81

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

(i) Fund based & Non- Fund based exposures:

(₹ in Crore)

	Fund based Exposure	Non Fund based Exposure
Against CRM	1938.83	831.68
At below 100%	31915.29	2655.15
At 100%	20991.35	2788.14
At more than 100%	4560.24	616.60

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

The total volatility adjusted Credit Risk Mitigants eligible for deduction from the outstanding exposures as on 30.09.2012 are ₹ 2824.36 Crore.

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

The Bank does not have any case of its assets securitised as on 30th September, 2012.

Table DF- 8: Market risk in Trading Book

Capital charge on Market Risk (Standardised Duration Approach) as on 30th September 2012 is as under:

Sl. No.	Risk Category	Amount (₹ In crore)
I	Interest Rate (a+b)	210.89
A	General market risk	180.28
(i)	Net Position	--
(ii)	Horizontal disallowance	--
(iii)	Vertical disallowance	--
(iv)	Options	--
B	Specific risk	30.61
II	Equity Risk (a+b)	24.69
a.	General market risk	12.35
b.	Specific risk	12.34
III	Foreign Exchange Risk (including Gold)	4.50
IV	Total capital charge for market risks under Standardised duration approach (I + II+III)	240.08

Table DF- 9: Operational risk

In line with RBI guidelines, Bank has adopted the Basic Indicator Approach to compute the capital requirements for Operational Risk. Risk Weight Assets for the Operational Risk as at 30th September 2012 is at ₹ 3643.84 Crore.

Table DF- 10: Interest rate risk in the banking book (IRRBB)

The interest rate risk is measured and monitored through two approaches:

Earning at Risk (Traditional Gap Analysis)(Short Term):

The immediate impact of the changes in the interest rates on net interest income of the bank is analyzed under this approach.

i. The Earning at Risk is analyzed under different scenarios as under :

EaR	Impact on NII for the next year (i.e. 30.09.2013)
Downward shift of 0.50% for assets as well as liabilities	100.41
Downward shift of 0.50 % for deposits and investments and not for advance portfolio	71.44

ii. Economic Value of Equity (Duration Gap Analysis) (Long term) :

b. The net impact on Net Worth of the bank against 100 bps downward movement in interest rates is ₹ 410.12 Crore as on 30.09.2012 for domestic operations.
