
Basel III- Pillar III Disclosures

March 31,2015



ADDITIONAL DISCLOSURES IN TERMS OF COMPLIANCE OF BASEL III REQUIREMENTS AS STIPULATED BY RBI

Table DF – 1

Scope of Application

Name of the head of the banking group to which the framework applies: *Indian Bank*

(i) Qualitative Disclosures:

a. List of group entities considered for consolidation

Name of the entity / Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes / no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes / no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
IndBank Merchant Banking Services Ltd. (Subsidiary)	Yes	Consolidated in accordance with Accounting Standard 21- Consolidated Financial Statement	Yes	Consolidated in accordance with Accounting Standard 21- Consolidated Financial Statement	Not Applicable	Not Applicable
Ind Bank Housing Ltd (Subsidiary)	Yes	Consolidated in accordance with Accounting Standard 21- Consolidated Financial Statement	Yes	Consolidated in accordance with Accounting Standard 21- Consolidated Financial Statement	Not Applicable	Not Applicable

Name of the entity / Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes / no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes / no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
Pallavan Grama Bank (Associates)	Yes	Consolidated under Equity Method in accordance with Accounting Standard 23- Consolidated Financial Statement	No	Not Applicable	Treated as associates	Risk weighted for capital adequacy purposes
Saptagiri Grameena Bank (Associates)	Yes	Consolidated under Equity Method in accordance with Accounting Standard 23- Consolidated Financial Statement	No	Not Applicable	Treated as associates	Risk weighted for capital adequacy purposes
Puduvai Bharathiar Grama Bank (Associates)	Yes	Consolidated under Equity Method in accordance with Accounting Standard 23- Consolidated Financial Statement	No	Not Applicable	Treated as associates	Risk weighted for capital adequacy purposes

b. List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation:

Name of the entity / country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity	Regulatory treatment of bank's investments in the capital instruments of the entity	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
NIL					

(ii) Quantitative Disclosures:

c. List of group entities considered for consolidation:

(₹ in million)

Name of the entity / country of incorporation <i>(as indicated in (i)a. above)</i>	Principle activity of the entity	Total balance sheet equity <i>(as stated in the accounting balance sheet of the legal entity)</i>	Total balance sheet assets <i>(as stated in the accounting balance sheet of the legal entity)</i>
IndBank Merchant Banking Services Ltd (India)	Merchant Banking services	443.78	524.89
Ind Bank Housing Ltd (India)	Housing Finance	100.00	1271.43

d. The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e. that are deducted:

Name of the subsidiaries / country of incorporation	Principle activity of the entity	Total balance sheet equity <i>(as stated in the accounting balance sheet of the legal entity)</i>	% of bank's holding in the total equity	Capital deficiencies
NIL				

e. The aggregate amounts (e.g. current book value) of the bank's total interests in insurance entities, which are risk-weighted:

Name of the insurance entities / country of incorporation	Principle activity of the entity	Total balance sheet equity <i>(as stated in the accounting balance sheet of the legal entity)</i>	% of bank's holding in the total equity / proportion of voting power	Quantitative impact on regulatory capital of using risk weighting method versus using the full deduction method
NOT APPLICABLE				

f. Any restrictions or impediments on transfer of funds or regulatory capital with in the banking group:

There is no restriction or impediments on transfer of funds or regulatory capital within the banking group.

Table DF – 2: Capital Adequacy

Assessment of Capital Adequacy:

- (a) Bank maintains capital for unexpected losses, so as to protect the interest of depositors, general creditors and stake holders against any unforeseen losses

As per the RBI guidelines, Banks have to maintain a Minimum Common Equity Tier 1 (CET 1) of 5.50% and minimum CRAR of 9%. Bank maintains Common Equity Tier 1 (CET 1) of more than 5.50% and CRAR of more than 9% .

- (b) In line with RBI guidelines, Bank has adopted following risk management approaches for assessing the capital adequacy:

- **Credit Risk:** Standardised Approach
- **Market Risk:** Standardised Duration Approach
- **Operational Risk:** Basic Indicator Approach

- (c) Bank has Board approved Internal Capital Adequacy Assessment Process (ICAAP) Policy to assess future capital requirements both under Pillar I and Pillar II. Bank projects capital for the next 3 financial year based on business projections ,policy guidelines, macro-economic scenarios, risk appetite etc

- (d) Under Pillar II, Bank considers the following as risks while assessing / planning capital:

- Liquidity Risk
- Credit Concentration Risk
- Interest Rate Risk in Banking Book
- Pension Obligation Risk
- Under estimation of Credit risk under Standardized approach
- Strategic Risk
- Reputation Risk
- Counterparty Credit Risk

As per the ICAAP policy, bank has set an internal target capital of 12%

- (e) Bank also periodically undertakes stress testing in various risk areas to assess the impact of stressed scenario or plausible events on asset quality, liquidity, interest rate, derivatives and forex on its profitability and capital adequacy.

A comprehensive stress testing framework is put in place. Bank conducts stress test on quarterly basis based on scenarios prescribed by RBI as well as bank specific scenarios. The Stress test results were placed to various apex level committees.

The Bank assesses the impact on the following risks, as part of Stress Test:

- Credit Risk
- Market Risk
- Credit Concentration Risk
- Default Risk
- Liquidity Risk
- Interest Rate Risk in Banking Book (IRRBB)

Bank is conducting the Stress Test on quarterly basis and the result of the same is placed to Credit Risk Management Committee (CRMC)/Risk Management Committee (RMC) of the Board

Quantitative disclosures (as per Basel III guidelines)

(a) Capital requirements for credit risk:

(₹ in Million)

Particulars	Solo (Global)	Consolidated
Portfolios subject to standardized approach	90256.60	90295.80
Securitization exposures	NIL	NIL

b)Capital requirements for market risk:

Standardized duration approach

(₹ in Million)

Particulars	Solo (Global)	Consolidated
Interest Rate Risk	4490.68	4490.68
Foreign Exchange Risk (including gold)	72.00	72.00
Equity Risk	2703.88	2703.88

(c)Capital requirements for operational risk:

(₹ in Million)

Particulars	Solo (Global)	Consolidated
Basic Indicator Approach	8283.81	8300.90

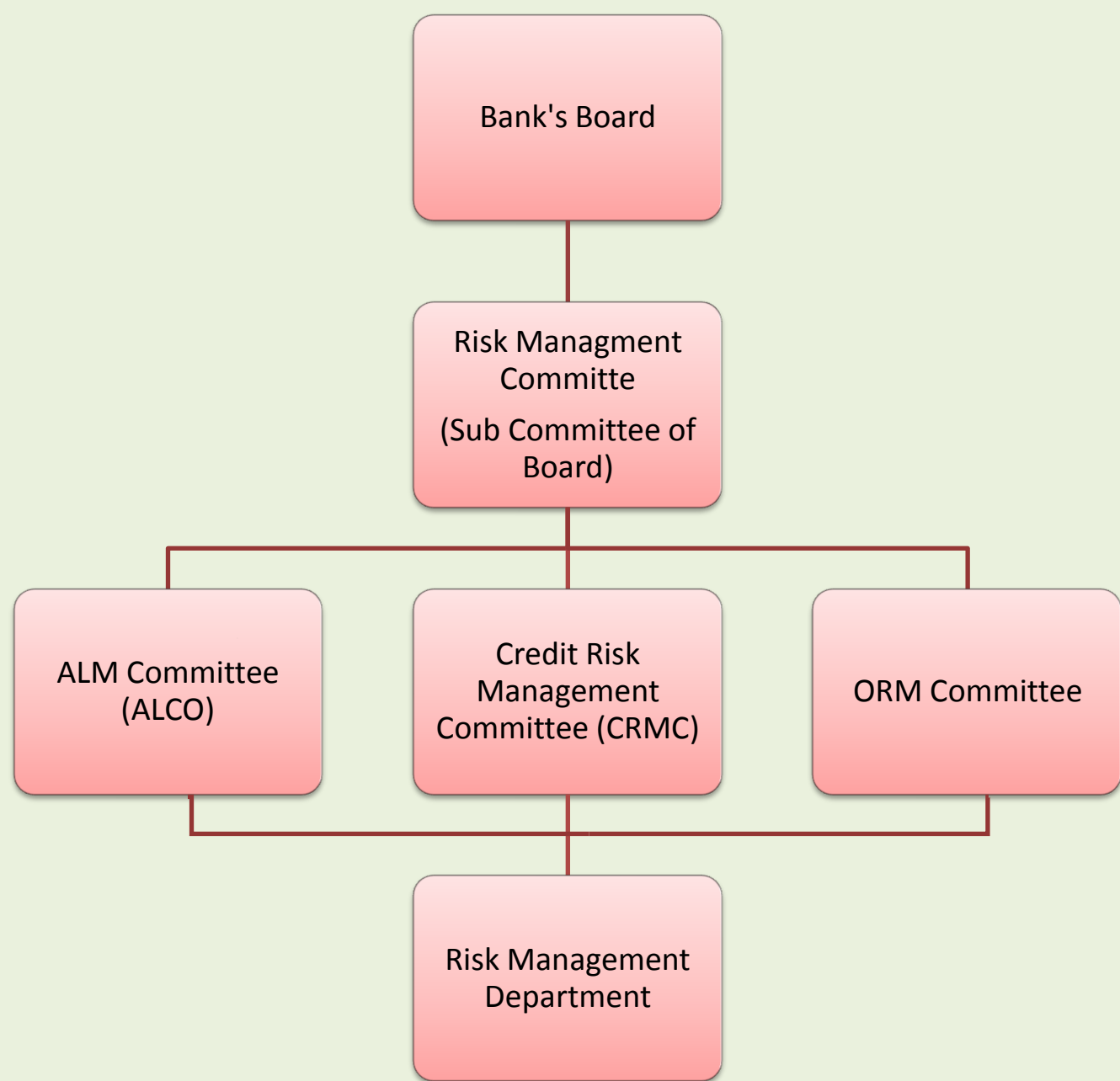
(d)Common Equity Tier 1 (CET 1), Tier 1 and Total capital ratio (as per Basel III guidelines):

Particulars	Solo (Global)	Consolidated
Common Equity Tier 1 (CET 1),	10.61%	10.77%
Tier 1 Capital Adequacy Ratio	10.61%	10.77%
Total Capital Adequacy Ratio	12.86%	13.01%

(e)Tier 1 and Total capital ratio (as per Basel II guidelines):

Particulars	Solo (Global)	Consolidated
Tier 1 Capital Adequacy Ratio	10.72%	10.88%
Total Capital Adequacy Ratio	13.24%	13.40%

Organisation Structure:



Risk Management Architecture:

The Bank has complied with all the guidelines of the Reserve Bank of India on creation of Risk Management architecture. An independent Risk Management Department is functioning for effective Enterprise-Wide Risk Management. All the risks, the Bank is exposed to, are managed through following three committees viz.,

- (i) Credit Risk Management Committee (CRMC)
- (ii) Asset and Liabilities Management Committee (ALCO)
- (iii) Operational Risk Management Committee (ORMC).

These committees work within the overall guidelines and policies approved by the Board and Risk Management Committee of the Board.

The Bank has put in place various policies to manage the risks. To analyze the enterprise-wide risk and with the objective of integrating all the risks of the Bank, an Integrated Risk Management policy has also been put in place. The important risk policies comprise of Credit Risk Management Policy, Liquidity Management Policy, Market risk management policy, Operational Risk Management Policy, Internal Capital Adequacy Assessment Process (ICAAP) Policy, Stress Testing Policy, Collateral Management Policy and Disclosure Policy.

All the policies are reviewed at a minimum on annual basis by Risk Management Committee (RMC)/ Board. In order to disseminate the risk management concepts and also to sensitize the field level functionaries, the relevant policies were circulated to the branches, in addition to imparting training at the Bank's training colleges.

Credit Risk:

Risk Management Systems are in place to identify and analyze the risks at the early stage and manage them by setting and monitoring prudential limits besides taking other corrective measures to face the changing risk environment.

Software driven rating mechanism is in place to assign the rating to ensure credit quality besides an entry level scoring system. The output of the rating model is used in decision making i.e. sanction, pricing and monitoring of credit portfolio.

Limit Framework:

In order to limit the magnitude of credit risk and concentration risk, a limit framework has been laid down for following type of exposures:

- Single and group borrower exposure
- sensitive sector exposure
- unsecured exposure
- interbank exposure
- country-wise exposure
- Internal rating wise exposure
- Geographical exposure
- Term loan exposure

These exposure limits are monitored on regular basis and placed to various apex level committees of the Board.

Loan review mechanism and Credit audit system are in place for the periodical review/audit of the large value accounts and bring about qualitative improvements in credit administration of the Bank. In addition, Standard Assets Monitoring Committee reviews the Special Mention Accounts periodically to initiate timely action to prevent slippage of standard assets to nonperforming assets. As a part of

monitoring mechanism, accounts which are downgraded from investment category are identified and monitored closely on quarterly basis.

Migration of rating of accounts is done on annual basis. Also weighted average rating of industry based on Bank's portfolio is done on quarterly basis. Analysis of rating wise distribution of advances is done on quarterly basis.

As part of risk management activities, vetting of credit proposals (except schematic loan proposals) coming under at CO levels started during the current year.

Asset Liability Management:

Asset liability Management allows the Bank to measure and monitor risk exposures which may arise from both liquidity risk and interest rate risk on its balance sheet. This allows the Bank to provide suitable strategies for asset liability management. The asset liability management framework consists of the following key components

- Liquidity risk management
- Interest rate risk management
- Balance sheet and Basel III liquidity ratios
- Stress Testing and scenario analysis
- Contingency funding plan

Asset Liability Management is the function of Asset Liability Management Committee (ALCO). It operates under the guidance and supervision of the Board and/or Sub-Committee of Board on ALM and Risk Management. It meets at regular intervals to review the interest rate scenario, product pricing for both deposits and advances, maturity profile of the incremental assets and liabilities, demand for Bank funds, cash flows of the Bank, profit planning and overall Balance Sheet Management.

Liquidity risk is measured and monitored through two approaches-Flow approach and Stock approach. Flow approach involves comprehensive tracking of cash flow mismatches and is done through preparation of Structural liquidity statement on a daily basis. Appropriate tolerance levels/prudential limits have been stipulated for mismatches in different time buckets. Under Stock Approach various balance sheet ratios are prescribed with appropriate limits. The compliance of ratios to the prescribed limits ensures that the Bank has managed its liquidity through appropriate diversification and kept it within the sustainable limit. The Bank also assess its short-term liquidity mismatches and reports the same in the short term dynamic liquidity report which represents the cash flow plans of various asset and liability generating units and seasonal variation of cash flow patterns of assets and liabilities of the bank over a period of 1-90 days.

For measurement and monitoring of Interest rate risk, currency wise, both Traditional gap approach and Duration gap approaches are followed. The short-term impact of interest rate movements on NIM is worked out through "Earnings at Risk" approach taking into consideration Yield curve risk, Basis risk and Embedded Options Risk. The long-term impact of interest rate movements on Market Value of Equity is also worked out through Duration Gap approach. The monthly interest rate sensitivity statement is review by ALCO / Board.

Stress testing of liquidity risk and interest rate risk is conducted on regular interval and the results of which are used to draw contingency funding plan under different liquidity and interest rate scenarios. Bank has also started conducting simulation of Balance sheet to maximise NII.

Market Risk Management:

Bank defines Market risk as the possibility of loss caused by changes in the market variables. The objective of market risk management is to assist the business units in maximizing the risk adjusted rate of return by providing analytics driven inputs regarding market risk exposures, portfolio performance vis-à-vis risk exposures and comparable benchmarks. Following risks are managed under Market Risk.

- Interest Rate Risk
- Exchange Rate Risk
- Equity Price Risk

The market risk may also arise from changes in commodity prices and volatility. However, Bank does not have any exposure to commodity related markets.

Market risk management is governed by comprehensive board approved market risk management policy, Investment Policy, Stress testing and Derivative Policy to ensure that the risks spread across different activities carrying an underlying market risk are within the stipulated risk appetite of the bank. All the policies are benchmarked with industry-best practices and RBI regulations.

Market risk is managed with various metrics viz. Value at Risk (VaR), Earnings at Risk, Modified duration, Net Overnight Open Position Limits, Individual Gap Limit(IGL) and Aggregate Gap Limit(AGL) currency wise and sensitivity analysis. Stress testing is also conducted on a regular basis to monitor the vulnerability of the bank to extreme but plausible unfavorable shocks. Bank monitors and controls its risk, using various internal and regulatory risk limits for trading book which are set according to a number of criteria including economic scenario, business strategy, management experience and the Bank's risk appetite. The risk reporting mechanism in the Bank comprises disclosures and reporting to the various management committees.

Operational Risk:

The bank has put in place Operational Risk Management Frame work (ORMF) and Operational Risk Management systems (ORMS) to ensure effective governance, risk capture and assessment and quantification of operational risk exposure. Operational risk is well managed by using appropriate qualitative & quantitative methods and established internal control systems in day to day management processes and adopting various risk mitigating strategies. The risk perceptions in various products / processes are critically analysed and corrective actions if required, are initiated.

The bank has procured software to take forward the risk measurement process through Risk Control and Self Assessment (RCSA), identification of Key Risk Indicators (KRI) and loss data analysis. Bank has built up internal loss data base for the last 5 years.

Table DF-3

Credit Risk: General disclosures for all banks

Qualitative Disclosures:

(a) Credit Risk Management:

Credit risk is defined as the possibility of losses associated with diminution in the credit quality of borrowers or counterparties.

Architecture:

In adherence with various guidelines and leading industry practices, the Bank has set up a robust governance structure for the management of credit risk, ensuring an adequate oversight, monitoring and reporting. The framework establishes the responsibilities of the board of directors .

The Bank has established a Board level sub-committee known as 'Risk Management Committee (RMC)' constituted in terms of RBI guidance note on Risk Management system.

Risk Management Committee (RMC):

The RMC evaluates overall risks faced by the Bank and is responsible for the establishment of an effective system to identify measure, monitor and control risk and recommend to the Board for its approval, clear policies, strategy, risk appetite and credit standards.

The Board has delegated authority to the RMC for credit risk related responsibilities.

The committee oversees credit risk management and ensures that the principal credit risks facing the Bank have been properly identified and are being appropriately managed. The committee approves and periodically reviews the overall risk appetite and credit risk management strategy. The committee reviews the risk management policies, the Bank's compliance with risk management guidelines stipulated by the RBI.

The risk committee also reviews credit risk profile and any major development, internal and external, and their impact on portfolio and as a whole on the bank

Credit Risk Management Committee (CRMC):

CRMC deals with the issues relating to credit policy and procedures, and analyzes, manages and controls credit risk on a bank wide basis.

Loan Review Management Committee: (LRMC):

As a part of Credit risk management process, Loan Review Management Committee (LRMC), at Corporate Office, has been constituted to undertake review of borrowal accounts sanctioned by various Committees at CO and Zonal Credit Committee.

Definitions of past due and impaired (for accounting purpose)

Bank has adopted the definitions of the past due and impaired (for accounting purposes) as defined by RBI for Income Recognition and Asset Classification norms.

The policy of the bank for classifying bank's loan assets is as under:

Non Performing Asset (NPA): A non performing asset (NPA) is a loan or an advance where:

- Interest and/ or installment of principal remain overdue for a period of more than 90 days in respect of a term loan,
- The account remains 'out of order' in respect of an Overdraft/Cash Credit (OD/CC)
- The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,
- The installment of principal or interest thereon remains overdue for two crop seasons for short duration crops
- The installment of principal or interest thereon remains overdue for one crop season for long duration crops

An OD/CC account is treated as '**out of order**' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power for more than 90 days. In cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of Balance Sheet or credits are not enough to cover the interest debited during the same period, these accounts are treated as '**out of order**'.

Non Performing Assets of the Bank is further classified in to three categories as under:

➤ **Sub standard Assets**

A sub standard asset is one which has remained NPA for a period less than or equal to 12 months.

➤ **Doubtful Assets**

An asset would be classified as doubtful if it has remained in the sub standard category for 12 months.

➤ **Loss Assets**

A loss asset is one where loss has been identified by the bank or by internal or external auditors or the RBI inspection.

Credit Risk Management Policy:

The Bank has put in place the Credit Risk Management Policy and the same has been circulated to all the branches. The main objective of the policy is to ensure that the operations are in line with the expectation of the management and the strategies of the top management are translated into meaningful directions to the operational level. The Policy stipulates prudential limits on large credit exposures, standards for loan collateral, portfolio management, loan review mechanism, risk concentrations, risk monitoring and evaluation, provisioning and regulatory / legal compliance.

The Bank identifies the risks to which it is exposed and applies suitable techniques to measure, monitor and control these risks.

While the Board / Risk Management Committee of the Board devises the policy and fixes various credit risk exposures, Credit Risk Management Committee implements these policies and strategies approved by the Board / RMC, monitors credit risks on a bank wide basis and ensures compliance of risk limits.

The Bank studies the concentration risk by (a) fixing exposure limits for single and group borrowers (b) rating grade limits (c) industry wise exposure limits and (d) analyzing the geographical distribution of credit across the Zones. All the Zones are categorized under four segments namely North, South, East and West.

Bank considers rating of a borrowal account as an important tool to measure the credit risk associated with any borrower and accordingly implemented rating software .

(b) Total gross credit risk exposures, Fund Based and Non-fund based separately.

(₹ in Million)

Particulars	Solo (Global)	Consolidated
Gross Credit Risk Exposures		
Fund Based		
Loans and Advances	1288316.90	1288386.45
Investments	330685.96	330721.04
Other Assets	210738.19	211050.72
Total Fund Based	1829741.05	1830158.21
Non Fund Based including contingent credit, contracts and derivatives*	609037.82	609266.13
Total Credit Risk Exposure	2438778.87	2439424.34

*includes notional principles of derivatives exposures, fund based unavailed limits, LC, acceptances Guarantees

(c) Geographic distribution of credit risk exposures Fund based and Non-fund based (solo) separately

(₹ in Million)

Geographical Region	Fund Based	Non Fund Based including contingent credit, contracts and derivatives	Total
Overseas	84548.84	15945.28	100494.12
Domestic	1745192.21	593092.54	2338284.75
Total	1829741.05	609037.82	2438778.87

(d) Industry-wise distribution of exposures (solo) as on 31.03.2015

(₹ in Million)

S.No.	Name of the industry	Outstanding		Committed Exposure
		Fund Based	Non Fund Based	
1	Gems and Jewellery including Diamond	572.18	859.00	2076.83
2	Infrastructure			
2.1	Power	122266.38	8902.44	175072.73
2.2	Ports / Roads	38516.87	1319.21	50849.67
2.3	Telecom	6525.77	999.61	9770.65
2.4	Other infrastructure	15933.44	7216.75	36365.36
2.5	Educational Institution	25797.71	821.24	34735.12
2.6	Hospital	3674.07	577.17	4897.27
2.7	Hotel	7950.81	1360.62	11838.91
3	Petroleum and Petroleum Products	31955.73	19604.57	73308.56
4	Textiles	34602.71	3424.51	53139.34
5	Sugar	6601.91	496.42	9211.26
6	Iron & Steel	34759.70	4302.20	51849.62
7	All Engineering	13626.02	18516.71	45945.32
8	Pharmaceuticals & Chemicals	6193.16	1402.90	9854.82
9	Food Processing (including Cashew, Edible Oils & Vanaspati)	16885.05	3218.18	31330.19
10	Colliery & Mining	863.18	95.21	2862.31
11	Fertilizer	1641.04	44.92	2261.17
12	Cement & Cement Products	14885.06	1228.49	20863.71
13	Leather & leather products	1124.90	285.39	2624.27
14	Electronics & Computers (Hardware & software)	5963.95	5945.72	14485.87
15	Tea / Coffee	856.86	0.00	1186.12
16	Construction contractors	12921.59	26405.51	57820.24
17	Rubber, Plastics and their products (including tyre)	5805.33	1328.18	11287.27
18	Automobiles (Vehicles, Vehicle Parts & Transport Equipments)	5276.98	4518.53	12419.95
19	Beverages and Tobacco	2041.47	0.00	3036.77
20	Wood and Wood Products	900.55	197.12	1690.52
21	Paper and Paper Products	4602.87	325.16	6580.79
22	Glass and Glassware	1005.57	146.79	3479.15
23	Other metal and metal products	2591.55	292.55	8093.92
24	Printing and Publishing	2818.23	730.47	4951.25
25	Aviation	5629.41	0.00	5629.41
26	Media and Entertainment	3034.56	4102.54	8789.29
27	Logistics	3538.18	1765.36	6814.74
28	Ship Building	838.60	1826.61	8268.98
29	Trade (Other than retail trade)	117493.86	8429.08	180560.49
30	NBFC	129437.33	70.09	155916.06

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As on 31.03.2015, the Bank's exposure to the industries stated below was more than 5% of the total gross credit exposure of ₹ 1765123.40 million:

Sl.No	Industry Classification	Percentage of the total gross credit exposure
1	Power	9.92%
2	NBFC	8.83%

(e) Residual contractual maturity break-up of advances and investments

(₹ in Million)

Details	1 Day	2-7 Days	8-14 Days	15-28 Days	29Days-3 M	>3M - 6 M	>6 M - 1 Year	>1 Y - 3Years	>3 Y - 5Years	>5 Years	Total
Advances	14566.51	20107.75	60020.85	37697.15	108749.34	80853.78	187012.37	419207.97	150322.99	180096.74	1258635.46
Investments*	1512.20	9717.60	5574.00	13436.50	26076.70	31994.60	55240.40	211380.60	48767.90	74625.90	478326.40
*Includes Repo(LAF) securities of ₹ 32195.20Million and excludes 50% of listed equities of ₹.2454.80 Million											

(₹ in Million)

(f)	Amount of NPAs (Gross) – (Solo-Global)	56704.40
	➤ Substandard	16454.48
	➤ Doubtful 1	15831.91
	➤ Doubtful 2	23198.14
	➤ Doubtful 3	771.49
	➤ Loss	448.38
(g)	Net NPAs	31469.50
(h)	NPA Ratios	
	➤ Gross NPAs to gross advances	4.40%
	➤ Net NPAs to net advances	2.50%
(i)	Movement of NPAs (Gross)	
	➤ Opening Balance	45622.01
	➤ Additions	33388.84
	➤ Reductions	22306.45
	➤ Closing Balance	56704.40
(j)	Movement of provisions for NPAs	
	➤ Opening Balance	14869.07
	➤ Provisions made during the period	12791.12
	➤ Write Off	7835.00
	➤ Write-back of excess provisions	1014.00
	➤ Closing balance	20839.19
(k)	Amount of Non-Performing investments	337.58
(l)	Amount of Provisions held for non-performing investments	337.58
(m)	Movement of provisions for depreciation on investments	
	➤ Opening balance	2288.13
	➤ Provisions made during the period	238.41
	➤ Write-off	0.00
	➤ Write-back of excess provisions	983.50
	➤ Closing balance	1543.04

Table DF – 4**Credit Risk: disclosures for portfolios subject to the standardized approach****Qualitative Disclosures:**

(a)The Bank uses ratings assigned by the six Rating Agencies approved by the Reserve Bank of India namely a) CRISIL, b) ICRA, c) CARE, d)India Ratings, e)BRICKWORKS and f) SMERA for the eligible exposures such as Corporate, Public Sector Enterprises, Capital Market Exposures etc. according to the Basel III framework. For overseas credit exposure, bank accepts rating of Standard & Poor, Fitch, Moody's.

The Bank has used the solicited ratings assigned by the above approved credit rating agencies for all eligible exposures, both on balance sheet and off balance sheet, whether short term or long term, in the manner permitted in the RBI guidelines on Basel III capital regulations.

Only the public ratings published by the rating agencies on their website are used for this purpose. Only, ratings which are in force as per monthly bulletin of the concerned rating agency are taken into account.

For assets in the Bank's portfolio that have contractual maturity less than or equal to one year, short term ratings accorded by the chosen credit rating agencies are considered relevant. For other assets, which have a contractual maturity of more than one year, long term ratings accorded by the chosen credit rating agencies are considered relevant.

Long term/short term ratings issued by the chosen domestic credit rating agencies have been mapped to the appropriate risk weights applicable as per the standardised approach under Basel III capital regulations.

Use of multiple rating assessment:

- If there are two ratings accorded by chosen credit rating agencies that map into different risk weights, the higher risk weight are applied
- If there are three or more ratings accorded by chosen credit rating agencies with different risk weights, the ratings corresponding to the two lowest risk weights should be referred to and the higher of those two risk weights should be applied. i.e., the second lowest risk weight

Quantitative Disclosures:

(b)The total credit risk exposure (Solo-Global) bifurcated after the credit risk mitigation under Standardized Approach is as under:

(₹ in Million)

Solo (Global)	Book Value	Risk Weighted value
Below 100% Risk weight	1646320.10	332516.29
100% Risk weight	507272.73	404479.77
Above 100% Risk weight	285186.04	265855.02
Total	2438778.87	1002851.08

Deduction from Capital: Investment in Subsidiaries: 242.56

The total credit risk exposure (Consolidated) bifurcated after the credit risk mitigation under Standardized Approach is as under:

(₹ in Million)

Consolidated	Book Value	Risk Weighted value
Below 100% Risk weight	1646531.09	332517.51
100% Risk weight	507707.21	404914.24
Above 100% Risk weight	285186.04	265855.02
Total	2439424.34	1003286.77

Deduction from Capital: Investment in Subsidiaries:242.56

Table DF-5 :Credit Risk Mitigation: disclosures for standardized approaches

Qualitative Disclosures

The Bank has put in place Credit Risk Mitigation & Collateral Management Policy with the primary objective of a) Mitigation of credit risks & enhancing awareness on identification of appropriate collateral taking into account the spirit of Basel III / RBI guidelines and (b) Optimizing the benefit of credit risk mitigation in computation of capital charge as per approaches laid down in Basel II / RBI guidelines.

The Bank generally relies on Risk Mitigation techniques like Loan participation, Ceiling on Exposures, Escrow mechanism, Forward cover, higher margins, loan covenants, Collateral and insurance cover.

Valuation methodologies are detailed in the Credit Risk Management Policy.

Eligible collateral for which CRM benefit taken for Computation of Capital Charge:

The following collaterals are recognized for availing CRM benefit for Computation of Capital Charge:

- i) Cash (as well as certificates of deposit or comparable instruments, **including fixed deposit receipts**, issued by the lending bank) on deposit with the bank, which is incurring the counterparty exposure.
- ii) Gold: Gold would include both bullion and jewellery. However, the value of the collateralized jewellery should be benchmarked to 99.99 purity.
- iii) Securities issued by Central and State Governments
- iv) Kisan Vikas Patra and National Savings Certificates provided no lock-in period is operational and if they can be encashed within the holding period
- v) Life insurance policies with a declared surrender value of an insurance company which is regulated by an insurance sector regulator

Main types of guarantor counterparty and their creditworthiness

The Bank considers credit protection in terms of the guarantees which are direct, explicit, irrevocable and unconditional. The bank takes into account such credit protection in calculating capital requirements

Only guarantees issued by entities with a lower risk weight than the counterparty will lead to reduced capital charges, since the protected portion of the counterparty exposure is assigned the risk weight of the guarantor, whereas the uncovered portion retains the risk weight of the underlying counterparty

Credit protection given by the following entities is recognised as counterparty Guarantor:

- (i) Sovereigns (Central and State Governments)
- (ii) Sovereign entities (including ECGC and CGTMSE)
- (iii) Banks with a lower risk weight than the counterparty

All types of securities eligible for mitigation are easily realizable financial securities. Hence, presently no limit / ceiling has been prescribed to address the concentration risk in credit risk mitigants recognized by the Bank.

The Bank uses the comprehensive approach in capital assessment. In the comprehensive approach, when taking collateral, the Bank calculates the adjusted exposure to a counterparty for capital adequacy purposes by netting off the effects of that collateral. The Bank adjusts the value of any collateral by a haircut to take into account possible future fluctuations in the value of the security occasioned by market movements

Quantitative Disclosures

For each separately disclosed credit risk portfolio (Solo-Global / Consolidated), the total exposure (after, where applicable, on- or off balance sheet netting) that is covered by eligible financial collateral after the application of haircuts:

(₹ in Million)

Type of Exposure	Eligible financial Collateral	Guarantees
Gross Credit Risk Exposures		
Fund Based		
Loans and Advances	212054.37	50028.60
Investments	0.00	362.71
Other Assets	0.00	0.00
Total Fund Based	212054.37	50391.31
Non Fund Based including contingent credit, contracts and derivatives	26989.55	6314.79
Total	239043.92	56706.10

Table DF – 6

Securitization: disclosure for standardized approach

Qualitative Disclosures: The Bank has not undertaken any securitization activity.	
Quantitative Disclosures:	NIL

Table DF – 7

Market risk in trading book

Market Risk :

Bank defines Market risk as the possibility of loss caused by changes in the market variables. The objective of market risk management is to assist the business units in maximizing the risk adjusted rate of return by providing analytics driven inputs regarding market risk exposures, portfolio performance vis-à-vis risk exposures and comparable benchmarks. Following risks are managed under Market Risk.

- Interest Rate Risk
- Exchange Rate Risk
- Equity Price Risk

The market risk may also arise from changes in commodity prices and volatility. However, Bank does not have any exposure to commodity related markets.

Market risk management is governed by comprehensive board approved market risk management policy, Investment Policy, Stress testing and Derivative Policy to ensure that the risks spread across different activities carrying an underlying market risk are within the stipulated risk appetite of the bank. All the policies are benchmarked with industry-best practices and RBI regulations.

Market risk is managed with various metrics viz. Value at Risk (VaR), Earnings at Risk, Modified duration, Net Overnight Open Position Limits, Individual Gap Limit(IGL) and Aggregate Gap Limit(AGL) currency wise and sensitivity analysis. Stress testing is also conducted on a regular basis to monitor the vulnerability of the bank to extreme but plausible unfavorable shocks. Bank monitors and controls its risk, using various internal and regulatory risk limits for trading book which are set according to a number of criteria including economic scenario, business strategy, management experience and the Bank's risk appetite. The risk reporting mechanism in the Bank comprises disclosures and reporting to the various management committees.

The Market risk management function of the Bank is being carried out by the mid office department which is a part of the Risk Management Department. This involves formulation and updation of policies, monitoring of limits, computation of VaR & stress testing and MIS reports to higher management.

Market Risk in trading book is assessed as per the Standardized duration method. The capital charge for HFT and AFS is computed as per Reserve Bank of India prudential guidelines.

Quantitative Disclosures:

The capital requirements (Solo-Global / Consolidated) for:

	(₹ in Million)
Interest rate risk	4490.68
Foreign exchange risk	72.00
Equity position risk	2703.88

Table DF – 8

Operational Risk

Qualitative Disclosures

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The way operational risk is managed has the potential to positively or negatively impact a bank's customers, its financial performance and reputation.

The Bank has put in place Board approved governance and organizational structure with clearly defined roles and responsibilities to mitigate operational risk arising out of the Bank's business and operations

The bank has put in place Operational Risk Management Framework (ORMF) and Operational Risk Management systems (ORMS) to ensure effective governance, risk capture and assessment and quantification of operational risk exposure. Operational risk is well managed by using appropriate qualitative & quantitative methods and established internal control systems in day to day management processes and adopting various risk mitigating strategies. The risk perceptions in various products / processes are critically analysed and corrective actions if required, are initiated

Capital charge for Operational Risk is computed as per the Basic Indicator Approach.

Quantitative Disclosures

The average of the gross income, as defined in the New Capital Adequacy Framework guidelines, for the previous 3 years i.e. 2013-14, 2012-13 and 2011-12 is considered for computing the capital charge. The required capital is ₹ 8283.81 Million (Solo-global) and ₹ 8300.90 Million (Consolidated).

Table DF – 9

Interest Rate Risk in the Banking Book (IRRBB)

Qualitative Disclosures:

IRRBB refers to the potential adverse financial impact on the Bank's banking book from changes in interest rates.

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

(i) Earning at Risk (Traditional Gap Analysis) :

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

(ii) Economic Value of Equity (Duration Gap Analysis):

Modified duration of assets and liabilities is computed separately to finally arrive at the modified duration of equity.

This approach assumes parallel shift in the yield curve for a given change in the yield. Impact on the Economic Value of Equity is also analyzed for a 200 bps rate shock as required by RBI. Market linked yields for respective maturities are used in the calculation of the Modified Duration.

The analysis of bank's Interest Rate Risk in Banking Book (IRRBB) is done for both Domestic as well as Overseas Operations.

The changes in market interest rates have earnings and economic value impacts on the bank's banking book. Thus, given the complexity and range of balance sheet products, IRR measurement systems are used that assess the effects of the rate changes on both earnings and economic value. Techniques followed are simple maturity (fixed rate) and repricing (floating rate) gaps and duration gaps based on current on-and-off-balance sheet positions, to a little higher technique that incorporate assumptions on behavioural pattern of assets, liabilities and off-balance sheet items and can easily capture the full range of exposures against basis risk, embedded option risk, yield curve risk, etc.

The analysis of bank's Interest Rate Risk in Banking Book (IRRBB) is done for Global position. The Economic value of equity for Domestic Operations is measured and monitored on a monthly basis and placed to ALCO

Quantitative Disclosures:

The increase (decline) in earnings and economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB (Solo-Global).

- i) Earnings at Risk for 25 bps interest rate decrease as on 31.03.2015 for one year time horizon is ₹ (-)1552.51 Million
- ii) Change in Market Value of Equity for 200 bps interest rate shock is ₹3867.80 Million(Repricing of BPLR/Base Rate in the 2nd time bucket)

DF-10: General Disclosure for exposures related to Counterparty Credit Risk:

Counterparty Credit Risk is the risk that the counterparty to a derivative transaction can default before the final settlement of the transaction's cash flow. The Bank sets limits as per the norms on exposure stipulated by RBI for both fund and non fund based facilities including derivatives. Limits are set as a percentage of the capital funds and are monitored on regular basis. For corporates the derivatives limits are assessed and sanctioned in conjunction with regular credit limit as part of regular appraisal.

All the Derivative transactions with the Counterparty are evaluated as per Board approved Derivative Policy of the Bank.

The Bank does not recognize bilateral netting.

The derivative exposure (with original maturity above 14 days) is calculated using Current Exposure Method (CEM) and out standing as on March 31,2015 is given below:

₹ in Million

Derivatives	Notional Principle	Current Credit Exposure(+veMTM)	Current Exposure
FORWARD CONTRACTS	225656.50	2553.47	7140.13
IRS	NIL	NIL	NIL

DF-11: Composition of Capital				(Rs. in million)
Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)			Amounts Subject to Pre-Basel III Treatment	Ref No.
Common Equity Tier 1 capital: instruments and reserves				
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	18059.65		A=A1+A2
2	Retained earnings	2456.91		B5
3	Accumulated other comprehensive income (and other reserves)	106599.52		B1+B2+B3+B4
4	<i>Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)</i>	0.00		
	Public sector capital injections grandfathered until January 1, 2018	0.00		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	0.00		
6	Common Equity Tier 1 capital before regulatory adjustments	127116.08		
Common Equity Tier 1 capital: regulatory adjustments				
7	Prudential valuation adjustments	0		
8	Goodwill (net of related tax liability)	0		
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	0		
10	Deferred tax assets	0	0	
11	Cash-flow hedge reserve	0		
12	Shortfall of provisions to expected losses	0		
13	Securitisation gain on sale	0		
14	Gains and losses due to changes in own credit risk on fair valued liabilities	0		
15	Defined-benefit pension fund net assets	0		
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	0		
17	Reciprocal cross-holdings in common equity	252.87		
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	0		
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	0		
20	Mortgage servicing rights (amount above 10% threshold)	0		

DF-11: Composition of Capital				(Rs. in million)
Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)			Amounts Subject to Pre-Basel III Treatment	Ref No.
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	0		
22	Amount exceeding the 15% threshold	0		
23	of which: significant investments in the common stock of financial entities	0		
24	of which: mortgage servicing rights	0		
25	of which: deferred tax assets arising from temporary differences	0		
26	National specific regulatory adjustments (26a+26b+26c+26d)			
26a	<i>of which:</i> Investments in the equity capital of the unconsolidated insurance subsidiaries	0		
26b	<i>of which:</i> Investments in the equity capital of unconsolidated non-financial subsidiaries	0		
26c	<i>of which:</i> Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	0		
26d	<i>of which:</i> Unamortised pension funds expenditures	0	0	
	Regulatory Adjustments Applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	145.54	97.03	
	<i>of which: Total equity investment in other financial subsidiaries</i>	145.54	97.03	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	48.51		
28	Total regulatory adjustments to Common equity Tier 1	446.92		
29	Common Equity Tier 1 capital (CET1)	126669.16		
Additional Tier 1 capital: instruments				
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	0		
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	0		
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	0		
33	<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>	0		

DF-11: Composition of Capital				(Rs. in million)
Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)			Amounts Subject to Pre-Basel III Treatment	Ref No.
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	0		
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	0		
36	Additional Tier 1 capital before regulatory adjustments	0		
Additional Tier 1 capital: regulatory adjustments				
37	Investments in own Additional Tier 1 instruments	0		
38	Reciprocal cross-holdings in Additional Tier 1 instruments	0		
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	0		
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	0		
41	National specific regulatory adjustments (41a+41b)	0		
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	0		
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	0		
	Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	0		
	<i>of which: Phase out form AT1</i>	0		
	<i>of which: existing adjustments which are deducted from Tier 1 at 50%</i>	0		
	<i>of which: DTA</i>	0		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	0		
43	Total regulatory adjustments to Additional Tier 1 capital	0		
44	Additional Tier 1 capital (AT1)	0		
44a	Additional Tier 1 capital reckoned for capital adequacy¹¹	0		
45	Tier 1 capital (T1 = CET1 + AT1) (29 +	126669.16		

DF-11: Composition of Capital				(Rs. in million)
Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)			Amounts Subject to Pre-Basel III Treatment	Ref No.
	44a)			
Tier 2 capital: instruments and provisions				
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	0		
47	Directly issued capital instruments subject to phase out from Tier 2	10000		C1+C2
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	0		
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	0		
50	Provisions	19553.67		C3+C4+C5
51	Tier 2 capital before regulatory adjustments	29553.67		
Tier 2 capital: regulatory adjustments				
52	Investments in own Tier 2 instruments	0		
53	Reciprocal cross-holdings in Tier 2 instruments	111.18		
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	0		
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	0		
56	National specific regulatory adjustments (56a+56b)	0		
56a	<i>of which: Investments in the Tier 2 capital of unconsolidated subsidiaries</i>	0		
56b	<i>of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank</i>	0		
	Regulatory Adjustments Applied To Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment	3048.51		
	<i>of which: existing adjustments which are deducted from Tier 2 at 50%</i>	48.51		
	<i>of which: Phase out from Tier 2 Bonds</i>	3000		
57	Total regulatory adjustments to Tier 2 capital	3159.69		
58	Tier 2 capital (T2)	26393.99		
58a	Tier 2 capital reckoned for capital adequacy	26393.99		

DF-11: Composition of Capital				(Rs. in million)
Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)			Amounts Subject to Pre-Basel III Treatment	Ref No.
58b	Excess Additional Tier 1 capital reckoned as Tier 2 capital	0		
58c	Total Tier 2 capital admissible for capital adequacy (58a + 58b)	26393.99		
59	Total capital (TC = T1 + T2) (45 + 58c)	153063.15		
60	Total risk weighted assets (60a + 60b + 60c)	1176259.12		
60a	of which: total credit risk weighted assets	1003286.80		
60b	of which: total market risk weighted assets	80739.60		
60c	of which: total operational risk weighted assets	92232.72		
Capital ratios				
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	10.77%		
62	Tier 1 (as a percentage of risk weighted assets)	10.77%		
63	Total capital (as a percentage of risk weighted assets)	13.01%		
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	5.50%		
65	of which: capital conservation buffer requirement	0.00%		
66	of which: bank specific countercyclical buffer requirement	0.00%		
67	of which: G-SIB buffer requirement	0.00%		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	5.27%		
National minima (if different from Basel III)				
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%		
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%		
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%		
Amounts below the thresholds for deduction (before risk weighting)				
72	Non-significant investments in the capital of other financial entities	0		
73	Significant investments in the common stock of financial entities	0		
74	Mortgage servicing rights (net of related tax liability)	0		
75	Deferred tax assets arising from temporary differences (net of related tax liability)	0		

DF-11: Composition of Capital				(Rs. in million)
Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)			Amounts Subject to Pre-Basel III Treatment	Ref No.
Applicable caps on the inclusion of provisions in Tier 2				
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	9313.85		C4+C5
77	Cap on inclusion of provisions in Tier 2 under standardised approach (1.25% of Credit Risk RWA)	12541.09		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	Not Applicable		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	Not Applicable		
Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)				
80	Current cap on CET1 instruments subject to phase out arrangements	Not Applicable		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	Not Applicable		
82	Current cap on AT1 instruments subject to phase out arrangements	Not Applicable		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	Not Applicable		
84	Current cap on T2 instruments subject to phase out arrangements	Not Applicable		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	Not Applicable		

DF-11: Composition of Capital		(Rs. in million)
Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)	Amounts Subject to Pre-Basel III Treatment	Ref No.

Notes to the Template		
Row No. of the template	Particular	(Rs. in million)
10	Deferred tax assets associated with accumulated losses	0.00
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	0.00
	Total as indicated in row 10	0.00
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	Not Applicable
	of which: Increase in Common Equity Tier 1 capital	Not Applicable
	of which: Increase in Additional Tier 1 capital	Not Applicable
	of which: Increase in Tier 2 capital	Not Applicable
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	Not Applicable
	(i) Increase in Common Equity Tier 1 capital	Not Applicable
	(ii) Increase in risk weighted assets	Not Applicable
44a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)	Not Applicable
	of which: Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b	Not Applicable
50	Eligible Provisions included in Tier 2 capital	9313.85
	Eligible Revaluation Reserves included in Tier 2 capital	10239.82
	Total of row 50	19553.67
58a	Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a)	0

DF-12: Composition of Capital- Reconciliation Requirements -STEP 1			(Rs. in million)
		Balance sheet as in financial statements (stand alone)	Balance sheet under regulatory scope of consolidation
		As on 31.03.2015	As on 31.03.2015
A	Capital & Liabilities		
i	Paid-up Capital	4802.92	4802.92
	Reserves & Surplus	143529.64	145486.65
	Total Capital	148332.56	150289.57
	Minority Interest	0.00	162.70
ii	Deposits	1692252.72	1692041.80
	<i>of which:</i> Deposits from banks	51325.61	51325.60
	<i>of which:</i> Customer deposits	1640927.12	1640716.20
	<i>of which:</i> Other deposits (pl. specify)	0.00	0.00
iii	Borrowings	26460.93	26460.93
	<i>of which:</i> From RBI	0.00	0.00
	<i>of which:</i> From banks	0.14	0.14
	<i>of which:</i> From other institutions & agencies	8328.99	8328.99
	<i>of which:</i> Others (pl. specify)	8131.80	8131.80
	<i>of which:</i> Capital instruments	10000.00	10000.00
iv	Other liabilities & provisions	61313.52	61402.20
	Total Liabilities	1928359.74	1930357.22
B	Assets		
i	Cash and balances with Reserve Bank of India	83010.70	83011.30
	Balance with banks and money at call and short notice	47801.04	47807.10
ii	Investments:	458986.09	460604.54
	<i>of which: Government securities</i>	408158.50	408158.60
	<i>of which: Other approved securities</i>	362.71	362.70
	<i>of which: Shares</i>	4198.13	4233.16
	<i>of which: Debentures & Bonds</i>	41880.59	41880.58
	<i>of which: Subsidiaries / Joint Ventures / Associates</i>	374.96	1958.30
	<i>of which: Others (Commercial Papers, Mutual Funds etc.)</i>	4011.19	4011.20
iii	Loans and advances	1258635.46	1258702.00
	<i>of which:</i> Loans and advances to banks	5935.00	5935.00
	<i>of which:</i> Loans and advances to customers	1252700.46	1252767.00
iv	Fixed assets	29687.29	29737.98
v	Other assets	50239.16	50494.30
	<i>of which:</i> Goodwill and intangible assets	0.00	0.00
	<i>of which:</i> Deferred tax assets	1866.06	1912.70
vi	Goodwill on consolidation	0.00	0
vii	Debit balance in Profit & Loss account	0.00	0
	Total Assets	1928359.74	1930357.22

DF-12: Composition of Capital- Reconciliation Requirements- STEP 2			(Rs. in million)	
		Balance sheet as in financial statements (stand alone)	Balance sheet under regulatory scope of consolidation	
		As on 31.03.2015	As on 31.03.2015	Reference
A	Capital & Liabilities			
i	Paid-up Capital	4802.92	4802.92	
	<i>of which:</i> Amount eligible for CET1	4802.92	4802.92	A1
	<i>of which:</i> Amount eligible for AT1	0.00	0.00	E
	Reserves & Surplus (1+2+3+4+5+6+7+8+9)	143529.64	145486.65	
	<i>of which</i>			
	1.Share Premium	13256.73	13256.73	A2
	2.Statutory Reserves	35812.58	35812.58	B1
	3.Capital Reserves	953.46	953.46	B2
	4.Special Reserves	6567.00	6567.00	
	<i>of which special reserve net of Tax</i>	6567.00	6567.00	B3
	5.Revenue Reserves	62835.11	63266.40	B4
	Revenue Reserves net of DTA	62835.11	63266.40	
	6.Profit and Loss account	950.37	2476.10	
	<i>Of which:Profit and Loss account (@ the end Prev FY)</i>	950.37	2456.91	B5
	7.Minority Interest	0.00	162.70	
	<i>Of which considered for Capital funds</i>	0.00	0.00	
	8.Revaluation Reserve	22755.16	22755.16	
	<i>Revaluation Reserve(Part of Tier 2 capital @ discount of 55%)</i>	10239.82	10239.82	C3
	9.Investment Reserve	399.22	399.22	C4
	General Provisions	8914.63	8914.63	C5
	Total Capital	148332.56	150289.57	
ii	Deposits	1692252.72	1692041.80	
	<i>of which:</i> Deposits from banks	51325.61	51325.60	
	<i>of which:</i> Customer deposits	1640927.12	1640716.20	
	<i>of which:</i> Other deposits	0.00	0.00	
iii	Borrowings	26460.93	26460.93	
	<i>of which:</i> From RBI	0.00	0.00	
	<i>of which:</i> From banks	0.14	0.14	
	<i>of which:</i> From other institutions & agencies	8328.99	8328.99	
	<i>of which:</i> borrowings outside India	8131.80	8131.80	
	<i>of which:</i> Capital instruments	10000.00	10000.00	
	1. Upper Tier II Instruments(1+2)	5000.00	5000.00	C1
	2. Lower Tier II Instruments	5000.00	5000.00	C2
iv	Other liabilities & provisions	61313.52	61402.20	
	Total	1928359.74	1930357.22	

B	Assets			
i	Cash and balances with Reserve Bank of India	83010.70	83011.30	
	Balance with banks and money at call and short notice	47801.04	47807.10	
ii	Investments	458986.09	460604.54	
	<i>of which:</i> Government securities	408158.50	408158.60	
	<i>of which:</i> Other approved securities	362.71	362.70	
	<i>of which:</i> Shares	4198.13	4233.16	
	<i>of which:</i> Debentures & Bonds	41880.59	41880.58	
	<i>of which:</i> Subsidiaries / Joint Ventures / Associates	374.96	1958.30	
	<i>of which:</i> Others (Commercial Papers, Mutual Funds etc.)	4011.19	4011.20	
iii	Loans and advances	1258635.46	1258702.00	
	<i>of which:</i> Loans and advances to banks	5935.00	5935.00	
	<i>of which:</i> Loans and advances to customers	1252700.46	1252767.00	
iv	Fixed assets	29687.29	29737.98	
v	Other assets	50239.16	50494.30	
	<i>of which:</i> Goodwill and intangible assets			
	Out of which:	1866.06	1912.70	
	Goodwill	0.00	0.00	
	Other intangibles	0.00	0.00	
	Deferred tax assets	1866.06	1912.70	
vi	Goodwill on consolidation	0.00	0.00	
vii	Debit balance in Profit & Loss account	0.00	0.00	
	Total Assets	1928359.74	1930357.22	

Extract of Basel III common disclosure template – Table DF-11 STEP 3

Common Equity Tier 1 capital: instruments and reserves

		Component of regulatory capital reported by bank	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation from step 2
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	18059.65	A1+A2
2	Retained earnings	2456.91	B5
3	Accumulated other comprehensive income (and other reserves)	106599.44	B1+B2+B3+B4
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	0	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	0	
6	Common Equity Tier 1 capital before regulatory adjustments	127116.00	
7	Prudential valuation adjustments	0	
8	Goodwill (net of related tax liability)	0	

Table DF-13: Main Features of Regulatory Capital Instruments

Disclosure template for main features of regulatory capital instruments			
1	Issuer	Indian Bank	Indian Bank
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE562A01011	INE562A09030
3	Governing law(s) of the instrument	Applicable Indian Laws and regulatory requirements	Applicable Indian Laws and regulatory requirements
	Regulatory treatment		
4	Transitional Basel III rules	Common Equity Tier 1	Tier 2
5	Post-transitional Basel III rules	Common Equity Tier 1	Ineligible
6	Eligible at solo/group/ group & solo	Group & Solo	Group & Solo
7	Instrument type	Common Shares	Lower Tier II (series II)
8	Amount recognised in regulatory capital (Rs. in million, as of 31.03.2015)	4802.92	3500
9	Par value of instrument	Not Applicable	5000
10	Accounting classification	Share holder's equity	Liability
11	Original date of issuance	various dates	28/06/2010
12	Perpetual or dated	Perpetual	Dated
13	Original maturity date	Not Applicable	28/06/2020
14	Issuer call subject to prior supervisory approval	No	Yes
15	Optional call date, contingent call dates and redemption amount (₹ In Millions)	Not Applicable	Call Option Date:Not Applicable Redemption Amount: 5000
16	Subsequent call dates, if applicable	Not Applicable	Not Applicable
	<i>Coupons / dividends</i>	<i>Dividend</i>	Coupon
17	Fixed or floating dividend/coupon	<i>Dividend</i>	Fixed
18	Coupon rate and any related index	Not Applicable	8.53% pa
19	Existence of a dividend stopper	Not Applicable	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Noncumulative or cumulative	Non Cumulative	Non Cumulative
23	Convertible or non-convertible	Not Applicable	Non Convertible
24	If convertible, conversion trigger(s)	Not Applicable	Not Applicable
25	If convertible, fully or partially	Not Applicable	Not Applicable
26	If convertible, conversion rate	Not Applicable	Not Applicable
27	If convertible, mandatory or optional conversion	Not Applicable	Not Applicable
28	If convertible, specify instrument type convertible into	Not Applicable	Not Applicable
29	If convertible, specify issuer of instrument it converts into	Not Applicable	Not Applicable
30	Write-down feature	No	No
31	If write-down, write-down trigger(s)	Not Applicable	Not Applicable
32	If write-down, full or partial	Not Applicable	Not Applicable

Table DF-13: Main Features of Regulatory Capital Instruments			
Disclosure template for main features of regulatory capital instruments			
33	If write-down, permanent or temporary	Not Applicable	Not Applicable
34	If temporary write-down, description of write-up mechanism	Not Applicable	Not Applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Not Applicable	Subordinated to the claims of other creditors and depositors of the Bank
36	Non-compliant transitioned features	No	Yes
37	If yes, specify non-compliant features	Not Applicable	No loss absorbency features

Table DF-13: Main Features of Regulatory Capital Instruments		
Disclosure template for main features of regulatory capital instruments		
1	Issuer	Indian Bank
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE562A09048
3	Governing law(s) of the instrument	Applicable Indian Laws and regulatory requirements
	Regulatory treatment	
4	Transitional Basel III rules	Tier 2
5	Post-transitional Basel III rules	Ineligible
6	Eligible at solo/group/ group & solo	Group & Solo
7	Instrument type	Upper Tier II (series III)
8	Amount recognised in regulatory capital (Rs. in million, as of 30.09.2014)	3500
9	Par value of instrument	5000
10	Accounting classification	Liability
11	Original date of issuance	16/07/2010
12	Perpetual or dated	Dated
13	Original maturity date	16/07/2025
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount (₹ In Millions)	Optional Call date:16/07/2020 Contingent Call dates: Not applicable Redemption amount:5000
16	Subsequent call dates, if applicable	Not Applicable
	Coupons / dividends	Coupon
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	8.67% pa for first 10 years, If call not exercised: 9.17%
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory
21	Existence of step up or other incentive to redeem	Yes step up by 50bps

Table DF-13: Main Features of Regulatory Capital Instruments		
Disclosure template for main features of regulatory capital instruments		
22	Noncumulative or cumulative	Non Cumulative
23	Convertible or non-convertible	Non Convertible
24	If convertible, conversion trigger(s)	Not Applicable
25	If convertible, fully or partially	Not Applicable
26	If convertible, conversion rate	Not Applicable
27	If convertible, mandatory or optional conversion	Not Applicable
28	If convertible, specify instrument type convertible into	Not Applicable
29	If convertible, specify issuer of instrument it converts into	Not Applicable
30	Write-down feature	No
31	If write-down, write-down trigger(s)	Not Applicable
32	If write-down, full or partial	Not Applicable
33	If write-down, permanent or temporary	Not Applicable
34	If temporary write-down, description of write-up mechanism	Not Applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated to the claims of other creditors and depositors of the Bank
36	Non-compliant transitioned features	Yes
37	If yes, specify non-compliant features	No loss absorbency features

Table DF-14: Full Terms and Conditions of Regulatory Capital Instruments

Terms and conditions for Upper Tier II Bond	
Security Description	8.67% Unsecured Redeemable Non-Convertible Subordinated Upper Tier II Bonds (Debt Capital Instruments) in the nature of Promissory Notes (Series III) of Rs.10,00,000 each aggregating to Rs.500 Crore)
Security offered through	Private Placement
Tax status	Not exempted from Tax
Date of opening of the issue	16/07/2010
Date of closing of the issue	16/07/2010
Series	Series III
ISIN Code	INE562A09048
Face Value per instrument	Rs.10,00,000
Paid up value per instrument	Rs.10,00,000
Issue Size	Rs.500 Crore
Date of allotment	16/07/2010
Date of maturity	16/07/2025
Amount to be matured	Rs.500 Crore
Coupon rate (fixed)	8.67% for the first 10 years. The rate will be stepped up by 50 basis points, in effect, the coupon rate on Bonds shall be 9.17% p.a from 11th year onwards, if call option not exercised by the Bank at the end of the 10th year from the date of allotment
Frequency of Interest	Annual and Non Cumulative
Interest due dates	16th July every year
First Interest Payment date	16th July 2011
Call Option	Call Option is available on bonds which may be exercised by the Bank at the end of 10th year from the date of allotment, subject to prior approval of RBI and in accordance with the applicable laws and regulation in effect at the time relating to among other things, Capital adequacy position of the Bank both at the time of and after exercise of the Call option, in whole but not in part. In case of exercise of Call option by the Bank, the Bank shall notify its intention to do so through a notice sent by registered post/ courier to the Bond holders, at least 30(thirty) days prior to the due date. The bonds shall a step-up options which shall be exercised only once during the whole life of the bonds, in conjunction with the Call option, after the lapse of 10 years from the deemed date of allotment. The step-up shall be 50 bps, in effect, the coupon rate on bonds shall be stepped up to 9.17% p.a for subsequent years if call option is not exercised by the bank at the end of 10th year from the date of allotment.

Terms and conditions for Lower Tier II Bond	
Security Description	8.53% Unsecured Redeemable Non-Convertible Subordinated Lower Tier II Bonds (Debt Capital Instruments) in the nature of Promissory Notes (Series II) of Rs.10,00,000 each aggregating to Rs.500 Crore)
Security offered through	Private Placement
Tax status	Not exempted from Tax
Date of opening of the issue	28/06/2010
Date of closing of the issue	28/06/2010
Series	Series II
ISIN Code	INE562A09030
Face Value per instrument	Rs.10,00,000
Paid up value per instrument	Rs.10,00,000
Issue Size	Rs.500 Crore
Date of allotment	28/06/2010
Date of maturity	28/06/2020
Amount to be matured	Rs.500 Crore
Coupon rate (fixed)	8.53%
Frequency of Interest	Annual and Non Cumulative
Interest due dates	28th June every year
First Interest Payment date	28th June 2011