

SCHEDULES 18 - NOTES ON ACCOUNTS					
1. CAPITAL					
Items	31.03.2011		31.03.2010		
i) CRAR (%) *	12.83		12.16		
ii) CRAR - Tier I Capital (%) *	10.43		10.65		
iii) CRAR - Tier II Capital (%) *	2.40		1.51		
iv) Percentage of Shareholding of the Government of India	80.00		80.00		
v) Amount raised by issue of IPO	NIL		NIL		
vi) Amount raised by issue of Lower Tier II Instruments (₹ Crore)	500.00		NIL		
vii) Amount raised by issue of Upper Tier II Instruments (₹ Crore)	500.00		NIL		
*The Capital Adequacy Ratio of the Bank as at 31.03.2011 as per Basel II Norms is at 13.56% and as per Basel I Norms at 12.83%. (As per the RBI guidelines, the least of the CRAR computed under Part I and Basel II Norms has to be reported as CRAR received by the Bank)					
2. INVESTMENTS					
In accordance with the RBI guidelines, the Bank's domestic investment portfolio has been classified into three categories. The classification as at 31.03.11 is given hereunder: (₹ Crore)					
Classification	Amount	%	Amount	%	
Held To Maturity -HTM *	21539.69	63.35	17140.63	62.46	
Available for Sale -AFS	12460.59	36.65	10249.57	37.34	
Trading -HFT	0.00	0.00	53.92	0.20	
Total	34000.28	100.00	27444.12	100.00	
*Domestic HTM securities as a percentage of Net Demand and Time Liabilities works out to 20.68% against a stipulated maximum level of 25%					
2.2. Investments					
Items	2010-11		2009-10		
(i) Value of Investments					
(a) In India	34000.28		27444.12		
(b) Outside India	969.92		1099.84		
(ii) Provision for Depreciation					
(a) In India	186.44		275.63		
(b) Outside India	-		-		
(iii) Net value of Investments	33813.83		27168.49		
(a) In India	969.92		1099.84		
(b) Outside India	-		-		
(2) Movement of provision held towards depreciation on investments *					
(i) Opening Balance	275.63		366.62		
(ii) Add: Provision made during the year	56.85		7.80		
(iii) Less: Write back of excess provision during the year	332.48		34.42		
(iv) Balance	174.03		98.79		
(v) Add: Provision held for stating Security Receipts issued by ARCs at NBV	158.45		275.63		
(vi) Closing Balance	27.99		0.00		
	186.44		275.63		

2.2.1 Market REPO Transactions: *Previous year figures regrouped where ever necessary (₹ Crore)									
Type	Minimum outstanding during the year ended	Maximum outstanding during the year ended	Daily average outstanding during the year ended	As on 31 st Mar 2011	As on 31 st Mar 2010				
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	31/03/11	31/03/10	
Securities sold under									
a) Government Securities	0.00	0.00	537.99	76.42	90.21	2.20	NIL	NIL	
Securities purchased									
Under reverse repos	0.00	0.00	101.00	0.00	3.92	0.00	NIL	NIL	

2.2.2 NON-SLR INVESTMENT PORTFOLIO (₹ Crore)									
NO	ISSUER	AMOUNT	EXTENT OF PRIVATE PLACEMENT	EXTENT OF BELOW INVESTMENT GRADE SECURITIES	EXTENT OF UNRATED SECURITIES	EXTENT OF UNLISTED SECURITIES			
(1)	(2)	(3)	(4)	(5)	(6)	(7)			
1	PSU	436.12	293.49	0.00	0.00	0.00			
2	Financial Institutions	335.31	336.45	0.00	0.00	36.65			
3	Banks	5767.28	5674.89	0.00	0.00	0.00			
4	Private Companies	781.69	619.64	0.00	0.00	0.51			
5	Subsidiaries	140.02	140.02	0.00	0.00	61.15			
6	Joint Ventures	-	-	0.00	0.00	-			
7	Provision held towards Depreciation	-140.58	0.00	0.00	0.00	0.00			
Total		7388.14	7074.78	0.00	0.00	99.67			

2.2.3 Non Performing Non-SLR Investments (₹ Crore)									
Opening Balance	Particulars	2010-11		2009-10					
		0.15		0.15					
Additions during the year		0.51		0.00					
Reduction during the year		0.15		0.00					
Closing Balance		0.51		0.15					
Total Provisions held		0.51		0.15					

3. Derivatives									
3.1 Forward Rate Agreements / Interest Rate Swaps (IRS)									
Singapore branch entered into derivative contracts of the nature of Interest Rate Swaps (IRS) to hedge on balance sheet assets. The notional principal value of Swaps was SGD 12.30 Mill (₹43.48 crore) for tenor ranging from 1-12 years. IRS was undertaken for hedging purposes. The outstanding swap position was to receive floating rate of interest and pay fixed rate of interest.									

Items	31.03.2011		31.03.2010		
i) The notional Principal of Swap agreement	43.48		61.12		
ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreement	NIL		NIL		
iii) Collateral required by bank upon entering into swaps	NIL		NIL		
iv) Concentration of Credit Risk arising from the swaps	0.25		0.56		
v) The fair value of swap book	NIL		NIL		

The bank has not entered into any Forward Rate Agreement during the year under review.

3.2 Exchange Traded Interest Rate Derivatives
The bank has not entered into any exchange traded interest rate derivatives during the year under review

3.3 Risk Exposure in Derivatives

3.3.1 Qualitative Disclosures
Bank has been using hedging of asset as well as liability using IRS. The hedging transactions have been accounted on an accrual basis. Swaps, which hedge interest bearing asset / liability, are accounted for as the IRS and liability hedged. Valuation of outstanding swap contracts is on marked to market basis.

All swap deals have been undertaken based on the guidelines of International Swaps Dealers' Association. Bank has adequate internal approvals and control systems prior to conducting transactions. There exists a clear functional segregation between (i) trading (Dealing) (ii) back office (settlement, monitoring and control) and (iii) accounting sections.

In the derivatives segment, the bank is doing proprietary trading in Currency Futures (CF) and Overnight Index Swaps (OIS). The activities in this segment are governed by the Derivatives Policy approved by the bank's Board.

Exchange traded FX derivatives i.e. Currency Futures, are valued at the Exchange determined prices and the resultant gains and losses are recognized in the Profit and Loss account.

The gain or loss in OIS transactions is booked in the Profit and Loss account on the maturity or unwinding of the deal whichever is earlier. For the purpose of valuation of outstanding OIS deals, the fair value of the total swap is computed on the basis of the amount that would be receivable or payable on account of shifting. The Bank also shifted ₹ 1718.31 crore (previous year ₹ 1127.08 crore) of government securities from HTM to AFS with out incurring any depreciation.

The Bank is having the following disclosures under derivatives.

- Overnight Index Swaps
- Currency Futures

No naked positions under the said heads were outstanding as on 31 March 2011.

3.3.2 Quantitative Disclosures (₹ Crore)				
Sl.No.	Particulars	Interest Rate Derivatives		
		2010-11	2009-10	
1	Derivatives (Notional Principal Amount)	0.15	0.15	
a) For hedging		43.48	61.12	
b) For Trading		0.00	0.00	
2	Marked to Market Positions (1)			
a) Asset (+)		0.00	0.00	
b) Liability (-)		0.48	0.44	
3	Credit Exposure (2)	0.25	0.56	
4	Likely impact on one percentage change in interest rate 100*PV01			
a) On hedging derivatives		1.20	0.48	
b) On trading derivatives		0.00	0.00	
5	Maximum and Minimum of 100*PV01 observed during the year			
a) On hedging				
Maximum		1.20	0.83	
Minimum		0.53	0.48	
b) On Trading				
Maximum		NA	NA	
Minimum		NA	NA	

3.4.1 Profit on account of sale of securities from HTM category amounting to ₹ 2.36 crore (previous year ₹ 30.08 crore) has been taken to Profit and Loss account and thereafter an amount of ₹ 1.18 crore was appropriated towards Capital Reserve Account (net of taxes and amount required to be transferred to statutory reserves)

3.4.2 During the year, the Bank had transferred a portion of its Government Securities (SLR) held in the AFS category to the HTM category at the least of Cost / Book Value / Market price pursuant to enabling regulatory guidelines. The shifting of securities of ₹ 4992.05 crore (previous year ₹ 1710.12 crore) resulted in depreciation of ₹ 176.23 crore (previous year ₹ 49.23 crore). The depreciation provision available as on 31st March 2010 in GOI AFS securities amounting to ₹ 138.72 crore was utilized and the balance amount of ₹ 37.51 crore was debited to P&L account on account of shifting. The Bank also shifted ₹ 1718.31 crore (previous year ₹ 1127.08 crore) of government securities from HTM to AFS with out incurring any depreciation.

In case of securities classified under HTM category, if acquisition cost is more than the face value, the premium is amortized over the remaining period to maturity. For the Financial Year 2010-11, a sum of ₹ 43.38 crore (previous year ₹ 71.05 crore) has been amortized and the same is reflected as a deduction from Income on Investments*.

4. ASSETS QUALITY

4.1. 1 Non-Performing Assets

(₹ Crore)				
Items	2010-11	2009-10		
(i) Net NPAs to Net Advances (%)	0.53	0.23		
(ii) Movement of Gross NPAs				
(a) Opening Balance	510.10	459.18		
(b) Additions during the year	953.92	586.19		
(c) Reductions during the above period	723.71	535.27		
(d) Closing Balance	740.31	510.10		
(iii) Movement of Net NPAs				
(a) Opening Balance	144.93	93.81		
(b) Additions during the year	544.48	427.53		
(c) Reductions during the above period	292.37	376.41		
(d) Closing Balance	397.04	144.93		
(iv) Movement of Provision for NPAs (excluding provisions on standard assets and Floating Provisions)				
(a) Opening Balance	117.21	195.50		
(b) Provisions made during the year	705.00	303.24		
(c) Write-off / write-back of excess provision	662.48	381.53		
(d) Closing Balance	159.73	117.21		

4.1.2 Non Performing Loan Provisioning Coverage Ratio is 84.30% (previous year 93.65 %)

4.2 Particulars of Accounts Restructured (₹ Crore)				
	CDR Mechanism	2010-11 SME Debt Restructuring	Others	
Standard advances restructured	No. of Borrowers	96	5457	
	Amount outstanding	17.24	671.15	
	Sacrifice (diminution in the fair value)	0.25	13.59	
Sub Standard advances restructured	No. of Borrowers	13	500	
	Amount outstanding	0.67	536.61	
	Sacrifice (diminution in the fair value)	0.01	0.04	
Doubtful advances restructured	No. of Borrowers	-	7	
	Amount outstanding	-	0.04	
	Sacrifice (diminution in the fair value)	-	0.0	
	No. of Borrowers	109	5984	
TOTAL	Amount outstanding	17.91	677.17	
	Sacrifice (diminution in the fair value)	0.26	13.63	

(₹ Crore)				
	CDR Mechanism	2009-10 SME Debt Restructuring	Others	
Standard advances restructured	No. of Borrowers	161	3161	
	Amount outstanding	153.87	2937.88	
	Sacrifice (diminution in the fair value)	14.92	82.32	
Sub Standard advces restructured	No. of Borrowers	-	1	30
	Amount outstanding	-	0.69	0.47
	Sacrifice (diminution in the fair value)	-	-	0.03
Doubtful advances restructured	No. of Borrowers	-	-	-
	Amount outstanding	-	-	-
	Sacrifice (diminution in the fair value)	-	-	-
	No. of Borrowers	4	162	3191
TOTAL	Amount outstanding	153.87	142.49	2938.35
	Sacrifice (diminution in the fair value)	14.92	2.60	82.35

4.3 Details of financial assets sold to Securitisation / Reconstruction Company for Asset Reconstruction (₹ Crore)				
Items	2010-11	2009-10		
(i) No. of Accounts sold	117591	NIL		
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	347.40	NIL		
(iii) Aggregate consideration	393.54	NIL		
(iv) Additional consideration realised in respect of account transferred in earlier years	0.00	NIL		
(v) Aggregate gain/loss over net book value	46.14	NIL		

4.4 Details of non-performing financial assets purchased /sold

A. Details of non-performing financial assets purchased: (₹ Crore)				
Particulars	2010-11	2009-10		
1. (a) No. of accounts purchased during the year	NIL	NIL		
(b) Aggregate outstanding	NIL	NIL		
2. (a) Of these, number of accounts restructured during the year	NIL	NIL		
(b) Aggregate outstanding	NIL	NIL		

B. Details of non-performing financial assets sold (₹ Crore)				
Particulars	2010-11	2009-10		
1. No. of accounts sold	NIL	NIL		
2. Aggregate Outstanding	NIL	NIL		
3. Aggregate consideration received	NIL	NIL		

4.5 Provision on Standard Assets (₹ Crore)				
Items	2010-11	2009-10		
Provision towards Standard Assets made during the year as per prudential norms issued by RBI (Domestic)	6.00	NIL		

5. Business Ratios (₹ Crore)				
Particulars	2010-11	2009-10		
(i) Interest Income as a percentage to Working Funds	8.35	8.44		
(ii) Non-interest income as a percentage to Working Funds	1.05	1.26		
(iii) Operating Profit as a percentage to Working Funds	2.94	2.95		
(iv) Return on Assets (%)	1.59	1.67		
(v) Business (Deposits plus Advances) per employee (Rs. in crore)	9.30	7.61		
(vi) Profit per employee (Rs in lakhs)	8.88	7.92		

6. Asset Liability Management Maturity Pattern of certain items of Assets and Liabilities (As compiled by the Bank) (₹ Crore)

Particulars	1 day	2-7 days	8-14 days	15 to 28 days	29days to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	1036.79	4093.06	2972.19	3415.05	10578.39	9704.88	17874.58	16138.96	2467.10	122023.17	105804.18
Borrowings	5.77	100.00	0.00	0.00	455.27	343.35	2.84	102.70	90.40	1000.04	2100.37
Investments	166.30	2030.36	1142.65	1969.26	5159.12	2092.71	5459.83	8082.84	913.29	7767.40	34783.76
Advances	1029.57	817.52	2254.21	2534.02	7784.67	4774.32	12594.68	22253.37	10924.73	10282.83	75249.91
Of which											
Foreign Currency liabilities	438.58	119.54	212.83	678.02	1521.39	854.59	702.70	248.98	48.59	0.00	4825.22
Foreign Currency Assets	415.57	170.81	115.83	362.08	1578.02	532.31	336.47	450.13	743.93	429.77	5136.92