

IDBI Bank Ltd.

Consolidated Pillar III Disclosures - September 30, 2012

A. Capital structure - Composition of capital

(₹. Crore)

Amount of Tier I Capital	
Tier I Capital	
Paid up share capital	1278.42
Reserves	16403.90
Innovative instruments	1708.80
Other capital instruments (Tier I Bonds)	0
Gross Tier I Capital	19391.12
Deductions:	
Investments in subsidiaries	192.00
Intangible assets	25.31
Deferred Tax asset	1258.18
Others	18.14
Net Tier I Capital (a)	17897.49
Amount of Tier II Capital	
Tier II Capital	
Revaluation reserve	804.50
Upper Tier II investments	4286.20
Lower Tier II investments	7194.00
General Provisions	892.24
Gross Tier II Capital	13176.94
Deductions:	
Investments in paid-up equity of financial subsidiaries / associates	192.00
Other deductions	18.14
Net Tier II Capital (b)	12966.80
Total Eligible capital (a+b)	30864.29
Capital raised during the H1 of FY 2012-13:	
Tier I (IPDI)	0.38
Upper Tier II	0.00
Lower Tier II	0.00
Total	0.38

B. Capital Adequacy:**(₹. Crore)**

(a) Credit risk Capital:	
Portfolios subject to standardised approach	17,647.30
Securitisation	1.01
(b) Market risk Capital:	
Standardised duration approach	
Interest Rate Risk	357.68
Foreign exchange Risk (including Gold)	31.50
Equity Risk	871.02
(c) Operational risk Capital:	
Basic indicator approach	887.45
Total Minimum Capital required	19,795.96
Total and Tier 1 capital ratio:	
Tier I (%)	8.14%
Total (%)	14.03%

C. Credit Risk - Credit Exposures general disclosures

- a. Total credit exposures (standalone basis) without taking into account benefit for credit risk mitigants:**

(₹. Crore)

Category	Amount Outstanding	
	Domestic	Overseas
Fund Based*	158,356.39	8,013.70
Non Fund Based#	85,200.06	1,369.64

* refers to advances

includes LC, BG, LER and acceptances

b. Top 20 Industry wise exposure

(₹. Crore)

Sr. No.	Industry	Fund based	Non Fund Based	Total exposure
1	Power	26,100.31	17,942.68	44,042.99
2	Home Loans	25,155.17	0.00	25,155.17
3	Iron & Steel	15,495.27	7,886.71	23,381.98
4	Oil & Gas/Petroleum Products	10,689.02	11,935.35	22,624.37
5	Roads & Bridges / Ports	9,368.73	8712.41	18,081.14
6	NBFC	13,372.88	789.72	14,162.60
7	Telecom	8,911.58	4,453.15	13,364.73
8	Construction	4,094.13	9256.21	13,350.34
9	Agriculture & Related Activities	12,666.76	514.69	13,181.45
10	Textiles	9,527.70	2,264.51	11,792.21
11	Infrastructure Others	4,647.43	7,019.52	11,666.95
12	General Machinery & Equipments	3,936.16	7,148.36	11,084.52
13	Banking	4,854.06	5,819.17	10,673.23
14	Metals and Metal Products (Other than Mfg of Basic Iron and Steel)	5,028.01	5,557.20	10,585.21
15	Trading	5532.05	3,885.70	9,417.75
16	Fertilizers	986.82	6,550.38	7,537.20
17	Cement	5,971.98	1,310.71	7,282.69
18	Chemical & Chemical Products	3,256.77	3550.49	6,807.26
19	Housing Finance Companies	5,992.31	0.00	5,992.31
20	Electrical Machinery & Equipments	1,867.22	3,963.82	5,831.04
	Total	1,77,454.36	1,08,560.78	2,86,015.14

c. Residual contractual maturity breakdown of assets and liabilities of the Bank on a standalone basis.

(₹. Crore)

Maturity Buckets	Assets				
	Cash & Balances with RBI	Investments	Advances	Fixed Assets & Other	Total Assets
Day 1	8,588	2,654	1,535	641	13,418
2 to 7 days	526	3,162	2,442	86	6,216
8 to 14 days	356	145	2,433	232	3,166
15 to 28 days	746	40	3,224	165	4,175
29 days & upto 3 months	1,174	275	6,999	733	9,181
Over 3 months & upto 6 months	862	720	13,883	464	15,929
Over 6 months & upto 1 year	4,068	1,480	9,353	142	15,043
Over 1 year & upto 3 years	2,678	9,582	69,236	6	81,502
Over 3 years & upto 5 years	182	8,299	20,561	2,368	31,410
Over 5 yrs	17	43,119	36,704	3,655	83,495
Total	19,197	69,476	1,66,370	8,492	2,63,535

d. Non Performing Assets

(₹. Crore)

Amount of NPAs (Gross)	5848.13
a. Substandard	2776.65
b. Doubtful 1	1664.18
c. Doubtful 2	1115.84
d. Doubtful 3	158.98
e. Loss	132.48
f. Net NPAs	3394.83
g. NPA Ratios	
• Gross NPAs to Gross Advances	3.45%
• Net NPAs to Net Advances	2.04%

h. Movement of NPAs (Gross)	
• Opening Balance	4551.37
• Additions	1666.70
• Write Offs	10.91
• Reductions	359.03
• Closing Balances	5848.13
i. Movement of Provisions for NPAs	
• Opening Balance	1640.44
• Provisions made during the period	796.80
• Write off	10.91
• Write back of excess provisions	116.69
• Closing Balances	2309.64
(j) Amount of Non-performing Investments	969.33
(k) Amount of provisions held for Non-performing Investments	325.29
(l) Movement of provisions for depreciation on investments (including bonds and debentures)	
Opening Balance	1110.96
Provisions made during the period	164.23
Write offs / Write Back of excess provisions	141.81
Closing Balance	1133.38

D. Credit Risk- Disclosures of Portfolios subject to the Standardised Approach.

The amount of outstanding of Assets in banking book and non fund based facilities (post credit conversion factor) in various risk buckets net of credit risk mitigants is stated below.

(₹. Crore)

Risk Weight	Total Outstanding
Less than 100%	178,604.93
100%	109,775.57
More than 100%	28,679.95
Deduction from Capital	36.27
Total	317,096.72

E. Credit Risk Mitigation: Disclosures for Standardised Approach

The bank exposure where CRM techniques were applied are as follows:

(₹. Crore)

Particulars	Fund Based	Non Fund Based
Total Exposures covered by eligible financial collateral	6,858.80	11,919.57
Exposure after taking benefit of eligible collateral	3,458.89	9,394.50

The exposure covered by corporate guarantees where CRM techniques as per RBI guidelines were applied amounted to ₹ 317.37 crores.

F. Securitisation exposure-Disclosure for Standardised Approach

a. Quantitative disclosures with respect to securitisation activities of the Bank in the Banking book are as follows:		
The total amount of exposures securitised by the bank		NIL
For exposures securitized, losses recognised by the bank during the current period broken by the exposure type.		NIL
Amount of assets intended to be securitised within a year		NIL
Of the above, the amount of assets originated within a year before securitisation.		NIL

	The total amount of exposures securitised (by exposure type) and unrecognised gain or losses on sale by exposure type.	NIL			
Aggregate amount of: • on-balance sheet securitisation exposures retained or purchased broken down by exposure type.		(₹. Crore.)			
	Retained/purchased				NIL
	Second Loss Facility (for 1 securitisation transaction)				36.27
	Liquidity Facility (for 2 securitisation transactions)				* 33.25
	Total				69.52
*In addition, Liquidity Facility Aggregating Rs.32.14 crore for 7 transactions provided for Direct Assignment transactions, of which Rs.9.07 crore (1 transaction) is in the form of a guarantee.					
	• off-balance sheet securitisation exposures broken down by exposure type.	NIL			
• Aggregate amount of securitisation exposures retained or purchased and the associated capital charges, broken down between exposures and further broken down into different risk weight bands for each regulatory capital approach		(₹. Crore.)			
		Facility	Amt. At 100% CCR	Rating	Risk Weight
		Liquidity Facility	33.25*	Pool rating AAA(SO) by FITCH	20%
* Out of the Rs. 33.25 crore Liquidity facility provided to 2 securitization transactions, for 1 transaction the Bank has provided Rs. 27.28 crore as which has been fully prepaid. Pending NOC and Rating withdrawal, Trustee is yet to release the Liquidity Facility.					

	<ul style="list-style-type: none"> Exposures that have been deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital. 	Second loss facility ₹ 36.27 crore (₹ 18.135 crore deducted from Tier I & Tier II each)
b. Quantitative disclosures with respect to securitisation activities of the Bank in the Trading book are as follows:		
	Aggregate amount of exposures securitised by the bank for which the bank has retained some exposures and which is subject to the market risk approach, by exposure type.	NIL
	Aggregate amount of: <ul style="list-style-type: none"> on-balance sheet securitisation exposures retained or purchased broken down by exposure type. 	NIL
	<ul style="list-style-type: none"> off-balance sheet securitisation exposures broken down by exposure type. 	NIL
	Aggregate amount of securitisation exposures retained or purchased separately for: <ul style="list-style-type: none"> securitisation exposures retained or purchased subject to Comprehensive Risk Measure for specific risk; and 	NIL

	<ul style="list-style-type: none"> • securitisation exposures subject to the securitisation framework for specific risk broken down into different risk weight bands. 	NIL
	<p>Aggregate amount of:</p> <ul style="list-style-type: none"> • the capital requirements for the securitisation exposures, subject to the securitisation framework broken down into different risk weight bands. 	NIL
	<ul style="list-style-type: none"> • securitisation exposures that are deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital. 	NIL

G. Market Risk in Trading Book -Aggregation of capital charge for market risks

(₹. Crore)

	Risk Category	Capital charge
a.	Capital Charge on account of specific risk	684.36
i)	On interest rate related	205.46
ii)	On equities	478.90
iii)	On derivatives	0
b.	Capital charge on account of general market risk	575.85
i)	On interest rate related instruments	149.95
ii)	On equities	392.13
iii)	On Foreign exchange	31.50
iv)	On precious metals	0.00
v)	On derivatives (FX Options)	2.27
	Total Capital Charge on Trading Book (a+b)	1,260.21
	Total Risk Weighted Assets on Trading Book	14002.27

H. Interest Rate Risk in Banking Book (IRRBB)

Magnitude of interest rate risks in the banking book in terms of the potential decline (increase) in earnings and economic value for upward (downward) interest rate shocks as per usual methods as on September 30, 2012 is given below:

Impact of parallel shift in Interest Rate by 100 basis points	
	(₹. Crore)
Sensitivity of Net Interest Income to Interest rate change (Earning at Risk) (Time Horizon: 1 year)	Sensitivity of Economic Value of Equity (EVE) to Interest rate change (Economic Value at Risk)
Impact on NII	Impact on EVE
64.08	1500.91
