

**SYNDICATE BANK**  
**BASEL II DISCLOSURES – 30<sup>TH</sup> SEPTEMBER 2010**

**Capital structure**

**Quantitative Disclosures**

**a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier I or in Upper Tier 2.**

The Tier I capital of the Bank mainly consists of Share capital, free Reserves and certain specific reserves appropriated from the net profit earned by the bank. Innovative Perpetual Debt Instrument (IPDI) is also reckoned as Tier I Capital as per the RBI norms.

Tier II Capital consists of certain percentage of revaluation reserves, risk provision which are not netted off, Tier II and Upper Tier II Bonds. The terms and conditions of these bonds and the principles of reckoning them as capital funds are guided by RBI regulation.

Rs. in Crs

b) The amount of Tier 1 capital, with separate disclosure of	
• Paid-up share capital	521.97
• Reserves	4700.39
• Innovative instruments	773.00
• Other capital instruments	Nil
• Amounts deducted from Tier 1 capital, Equity investments in Associates (50%)	16.68
(c) The total amount of Tier 2 capital (net of deductions from Tier 2 capital)	2997.42
(d) Debt capital instruments eligible for inclusion in Upper Tier 2 capital	
Total amount outstanding	819.70
Of which amount raised during the current year	Nil
Amount eligible to be reckoned as capital funds	819.70
(e) Subordinated debt eligible for inclusion in Lower Tier 2 capital	
Total amount outstanding	2025
Of which amount raised during the current year	Nil
Amount eligible to be reckoned as capital funds	1575
(f) Other deductions from capital :	
(g) Total eligible capital.	<b>8976.10</b>

## Capital Adequacy

### Quantitative Disclosures:

#### (a) Capital Requirements for Credit Risk

Rs. in crores

Portfolios subjected to standardized approach	5932.48
Securitization Exposures	NIL

#### (b) Capital requirements for Market Risk:

##### Standardised Duration Approach:

Interest rate Risk	183.61
Foreign Exchange Risk	Nil
Equity Risk	68.83
Precious Metals	10.26

#### (c) Capital Requirement for Operational Risk

##### Basic Indicator Approach

Rs. in crores

Capital Requirement as per Basic Indicator Approach	422.82
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#### (d) Total Capital Ratio for the Bank

Total Capital to Risk Weighted Assets Ratio as per New Capital Adequacy Framework	12.21%
Tier I Capital to Risk Weighted Assets Ratio as per Basel -II	8.13%
Total Capital to Risk Weighted Assets Ratio - as per Basel I norms	10.74%
Tier I Capital to Risk Weighted Assets Ratio as per Basel -I	7.15%

#### Prudential floor on capital required

Rs. in crores

Minimum capital required as per the revised framework	6 617.99
Minimum capital required as per Basel I framework for credit and market risk. (90% of Basel I)	7 549.35
Prudential floor- Higher of the above	7 549.35

### Credit Risk – General Disclosures

#### Quantitative Disclosures:

##### (a) Total Gross Credit Exposures:

(Rs in crs)

Fund based credit exposures	95 913
Non-fund based credit exposures	9 876

##### (b) Geographic distribution of credit exposures:

(Rs in crs)

<b>Overseas:</b>	
Fund based credit exposures	9 808
Non-fund based credit exposures	65
<b>Domestic:</b>	
Fund based credit exposures	86 105
Non-fund based credit exposures	9 811

##### (c) Industry-wise distribution of exposures (Both fund based and non-fund based) (Rs in crs)

Industry	Credit		Investment	Total Exposure
	Fund Based	Non Fund Based		
Infrastructure	12869	1337	41	14247
All Engineering	1025	2520	4	3549
Iron and Steel	2755	416	8	3179
Chemicals and Chemical products	912	798	0	1710
Construction	834	1094	63	1991
Textiles	1224	105	38	1367
Petroleum, coal products and Nuclear Fuels	991	350	30	1371
Gems and Jewellery	397	406	0	803
Cement and Cement products	741	6	11	758
Paper & Paper products	380	31	0	411

<b>( d ) Residual contractual maturity breakdown of assets</b>											
Residual Maturity ( Rs. in crores)	1 day	2-7 days	8-14 days	15-28 days	29days - 3months	over 3 months upto 6 months	over 6 months upto 1 year	over 1 year upto 3 years	over 3 years upto 5 years	over 5 years	Total
Advances (Performing)	3309.35	1977.89	1284.01	1001.75	6609.01	5046.15	12814.53	36362.04	13180.31	13098.80	94683.84
Investments(incl REPOs)	1095.68	36.49	0.00	1311.43	2997.13	1289.51	3973.84	8672.47	1954.98	9490.88	30822.40

(Rs. in crores)

(e) Amount of NPAs (Gross)	
• Substandard	900.16
• Doubtful 1	591.48
• Doubtful 2	628.20
• Doubtful 3	12.52
• Loss	15.21
(f) Net NPAs	917.07
(g) NPA Ratios	
• Gross NPAs to gross advances	2.24
• Net NPAs to net advances	0.97
(h) Movement of NPAs (Gross)	
• Opening balance	2006.92
• Additions	668.93
• Reductions	528.28
• Closing balance	2147.57
(i) Movement of provisions for NPAs	
• Opening balance	1140.94
• Provisions made during the period	245.3
• Write-off	205.93
• Write-back of excess provisions	
• Closing balance	1180.31
(j) Amount of Non-Performing Investments	14.97
(k) Amount of provisions held for non-performing investments	14.97
(l) Movement of provisions for depreciation on investments	
• Opening balance	82.76
• Provisions made during the period	9.83
• Write-off	0.00
• Write-back of excess provisions	-48.31
• Closing balance	44.28

**Exposure amounts after risk mitigation subject to standardized approach:**

(Rs in crs)

<b>Risk weight category</b>	<b>Exposure after Credit Risk Mitigation</b>	<b>Externally Rated Exposure after Credit Risk Mitigation</b>	<b>Unrated</b>
<b>Advances</b>			
Below 100% Risk Weight	55 857.43	22 898.26	32 959.17
100% Risk Weight	24 664.22	12 371.86	12 292.36
More than 100% Risk Weight	7 832.14	2 984.58	4 847.56
Deducted			

<b>Securitisation : Disclosure for Standardised Approach</b>	
<b>Quantitative Disclosures</b>	
(a) The total outstanding exposures securitised by the bank and subject to the securitisation framework by exposure type.	<b>NIL</b>
(b) For exposures securitised by the bank and subject to the securitisation framework:	
• amount of impaired/past due assets securitised; and	<b>NIL</b>
• losses recognised by the bank during the current period broken down by exposure type	<b>NIL</b>
(c) Aggregate amount of securitisation exposures retained or purchased broken down by exposure type.	<b>NIL</b>
(d) Aggregate amount of securitisation exposures retained or purchased broken down into a meaningful number of risk weight bands. 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 should be disclosed separately by type of underlying exposure type.	<b>NIL</b>
(e) Summary of securitisation activity presenting a comparative position for two years, as apart of the Notes on Accounts to the balance sheet:	
• total number and book value of loan assets securitised – by type of underlying assets;	<b>NIL</b>
• sale consideration received for the securitised assets and gain/loss on sale on account of securitisation; and	<b>NIL</b>
• form and quantum (outstanding value) of services provided by way of credit enhancement, liquidity support, post-securitisation asset servicing, etc	<b>NIL</b>

## Market Risk in Trading Book:

### Quantitative Disclosure

The capital requirements for:	Rs. In cr.
Interest rate Risk	183.61
Foreign Exchange Risk	Nil
Equity Risk	68.83
Precious Metals	10.26

Interest Rate Risk in the Banking Book (IRRBB)	
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, broken down by currency (where the turnover is more than 5% of the total	As per EAR arrived for IRS statement submitted to RBI for 24.09.2010, EAR is at <b>Rs.9.79 Cr for one year considering only the banking book (ignoring AFS and HFT Securities) with an expected change in interest rate by 1%. This is within the tolerance of Rs.125 cr fixed by the bank.</b>