

SYNDICATE BANK
BASEL II DISCLOSURES – 30TH SEPTEMBER 2011

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.

	(₹ in Crs.)
(b) The amount of Tier 1 capital, with separate disclosure of	7413.11
<input type="checkbox"/> Paid-up share capital	573.29
<input type="checkbox"/> Reserves	6083.50
<input type="checkbox"/> Innovative instruments	773.00
<input type="checkbox"/> Other capital instruments	NIL
<input type="checkbox"/> 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)	2773.40
(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	1925.00
Of which amount raised during the current year	NIL
Amount eligible to be reckoned as capital funds	1290.00
(f) Other deductions from capital :	NIL
(g) Total eligible capital.	10186.51

Capital Adequacy

Quantitative Disclosures:

(a) Capital Requirements for Credit Risk

(₹ in Crs.)

Portfolios subjected to standardized approach	6946.98
Securitization Exposures	NIL

(b) Capital requirements for Market Risk:

Standardised Duration Approach

(₹ in Crs.)

Interest Rate Risk	283.12
Foreign Exchange Risk	8.10
Equity Risk	51.85
Precious Metals	-

(c) Capital Requirement for Operational Risk

Basic Indicator Approach

(₹ in Crs.)

Capital Requirement as per Basic Indicator Approach	542.37
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(d) Total Capital Ratio for the Bank

Total Capital to Risk Weighted Assets Ratio as per New Capital Adequacy Framework	11.80
Tier I Capital to Risk Weighted Assets Ratio as per Basel -II	8.59
Total Capital to Risk Weighted Assets Ratio - as per Basel I norms	10.07
Tier I Capital to Risk Weighted Assets Ratio as per Basel -I	7.32

Prudential floor on capital required

(₹ in Crs.)

Minimum capital required as per the revised framework	7768.42
Minimum capital required as per Basel I framework for credit and market risk. (80% of Basel I)	7308.83
Prudential floor- Higher of the above	7768.42

Credit Risk – General Disclosures

Quantitative Disclosures:

(a) Total Gross Credit Exposures:

(₹ in Crs.)

Fund based credit exposures	114202
Non-fund based credit exposures	11141

(b) Geographic distribution of credit exposures:

(₹ in Crs.)

Overseas:		
Fund based credit exposures		11844
Non-fund based credit exposures		57
Domestic:		
Fund based credit exposures		102358
Non-fund based credit exposures		11084

(c) Industry-wise distribution of exposure (Both fund based and on fund based)

(₹ in Crs.)

Sl. No.	Industry	Credit		Investments	Balance O/s
		Fund Based	Non Fund Based		
1	Infrastructure	14795	1074	87	15956
2	All Engineering	1033	2545	56	3634
3	Iron and Steel	3868	413	28	4309
4	Chemicals and Chemical products	1685	476	73	2234
5	Construction	1215	1548	40	2803
6	Textiles	1559	71	24	1654
7	Petroleum, Coal products and Nuclear Fuels	1803	351	25	2179
8	Gems and Jewellery	519	215	-	734
9	Cement and Cement Products	407	6	31	444
10	Paper & Paper products	276	28	-	304

(d) Residual contractual maturity breakdown of assets

(₹ In Crs.)

Outflows	1 day	2 to 7 days	8 to 14 days	15 to 28 days	29 days and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and Up to 5 years	Over 5 years	Total
Advances	3270.35	752.26	1679.09	1359.64	10005.40	5652.58	11940.76	42753.22	17711.73	17407.97	112533.02
Investments (incl those under Repos but excl RR)	0.00	1873.37	757.99	6.68	504.10	261.67	1021.71	3790.65	4660.87	24738.62	37615.66

(₹ In Crs.)	
(e) Amount of NPAs (Gross)	
• Substandard	1532.23
• Doubtful 1	504.68
• Doubtful 2	654.63
• Doubtful 3	14.80
• Loss Assets	15.07
(f) Net NPAs	1051.78
(g) NPA Ratios:	
• Gross NPAs to Gross Advances	2.38%
• Net NPAs to Net Advances	0.93%
(h) Movement of NPAs (Gross)	
• Opening Balance	2598.97
• Additions	1320.19
• Reduction	1197.75
• Closing Balance	2721.41
(i) Movement of Provisions for NPAs	
• Opening Balance	1501.33
• Provisions made during the year	701.99
• Write-off	603.15
• Write-back of excess provisions	0.00
• Closing Balance	1600.17
(j) Amount of Non Performing Investments	39.55
(k) Amount of Provision held for Non Performing Investments	39.55
(l) Amount of Provision held for Depreciation on Investments	32.84
• Opening Balance	25.11
• Provision made during the period	7.73
• Write-off	0.00
• Write-back of excess provision	0.00
• Closing balance	32.84

Exposure amounts after risk mitigation subject to standardized approach:
(₹ in Crs.)

Risk weight category	Exposure after Credit Risk Mitigation	Externally Rated Exposure after Credit Risk Mitigation	Unrated
Advances			
Below 100% Risk Weight	63220.01	30977.42	32242.59
100% Risk Weight	25023.67	13088.92	11934.75
More than 100% Risk Weight	9431.41	4320.13	5111.28
Deducted	NIL	NIL	NIL

Securitisation : Disclosure for Standardised Approach	
Quantitative Disclosure	
(a) The total outstanding exposures securitised by the bank and subject to the securitisation framework by exposure type.	NIL
(b) For exposure securitised by the bank and subject to the securitisation framework:	
• Amount of impaired/past due assets securitised; and	NIL
• Losses recognized by the bank during current period broken down by exposure type.	NIL
(c) Aggregate amount of securitisation exposures retained or purchased broken down by exposure type.	NIL
(d) Aggregate amount of securitisation exposure 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.	NIL
(e) Summary of securitisation activity exposures presenting a comparative position for two years, as apart of the notes of accounts to the balance sheet;	
• Total number and book value of loan assets securitised – by type of underlying assets;	NIL
• Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation; and	NIL
• Form and quantum (outstanding value) of services provided by way of credit enhancement, liquidity support, post-securitisation asset servicing, etc.	NIL

Market Risk in Trading Book

Quantitative Disclosure

The Capital requirement for:	
• Interest rate risk	283.12
• Foreign Exchange Risk	8.10
• Equity Risk	51.85
• Precious Metals	-

Interest rate 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 23.09.2011, EaR is at ₹ 339.47 cr the banking book (ignoring AFS and HFT securities) with an expected change in interest rate by 1%. This is within the tolerance of ₹ 500 cr or 15% of NII of the previous financial year whichever is higher.