Disclosures under the New Capital Adequacy Framework Guidelines- Basel III (Pillar 3)- 30th September 2014

1. **Scope of Application and Capital Adequacy**

Table DF-1: Scope of Application

Corporation 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
No such Entity						

Note: Bank has one wholly owned subsidiary which is consolidated on annual basis.

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)
Corp Bank Securities Ltd	Trading in Securities	750.0	100%	Assigned 250% risk weight under Basel-III	1,140.4

Amounts in (₹) million

(ii) Quantitative Disclosures:

c. List of group entities considered for consolidation

Name of the entity / country of incorporation (as indicated in (i) a. above)	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
No such Entity			

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 (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity	Capital deficiencies
There is no capital deficiency in the subsidiary				

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 (as stated in the accounting balance sheet of the legal entity)	% 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
No Such Entity				

f. Any restrictions or impediments on transfer of funds or regulatory capital within the banking group: Not Applicable.

Table DF-2: Capital Adequacy

Qualitative Disclosure

a. The Bank actively manages its capital requirement by taking in to account the current and projected Business growth of the Bank. Bank has implemented comprehensive Internal Capital Adequacy Assessment Process (ICAAP). ICAAP comprises Bank's procedure to ensure identification and measurement of risks, appropriate level of Internal capital in relation to Bank's risk profile and development of suitable risk management system, composition and distribution of internal capital which is considered adequate to cover current risk and any future risk in both quantitative and qualitative terms. Stress tests are used as a part of Internal Capital Adequacy Assessment Process (ICAAP) to evaluate the impact on the bank's capital under extreme stress scenario and to ensure that the capital base can with-stand the adverse impact of uncertain events. The bank is guided by the philosophy of optimal utilisation of the capital so as to increase the return on capital and increase shareholders value in the long run. ICAAP of the Bank covers capital requirement for next five years.

The Bank has also implemented an ICAAP policy. This Policy covers regulatory standards, ICAAP procedures as well as roles and responsibilities of various functionaries.

Objectives of the ICAAP Policy are:

- To ensure management of internal capital in accordance with the RBI Guidelines, Basel II and Basel III Guidelines and overall Corporate Governance Principles.
- To describe the process for identification, assessment, measurement and aggregation of the risks inherent in the Bank's business and operations.
- To ensure that the available capital is commensurate with the Bank's risk profile.
- To ensure that there is clear assignment of roles and responsibilities for facilitating the ICAAP.

Internal Capital Adequacy Assessment Committee of the Board is responsible for implementation of ICAAP in the Bank.

Internal Capital Adequacy Assessment Process (ICAAP): The ICAAP comprises of a bank's procedures and measures designed to ensure the following:

- Risk identification and measurement processes are appropriate;
- Level of internal capital is commensurate with the bank's risk profile;
- Risk management systems are suitably developed and applied.

Identification of Material Risk: The Bank considers the following as material risks it is exposed to in the course of its business and therefore, factors these while assessment of existing capital and future capital requirement:

Pillar-I	Pillar-II
• Credit Risk	• Residual credit risks
• Market Risk	• Credit Concentration Risk
• Operational Risk	• Liquidity Risk
	• Interest Rate Risk in the Banking Book
	• Settlement Risk
	• Counterparty Credit Risk
	• Reputation Risk
	• Strategic Risk and Business Risk
	• Pension obligation Risk
	• Loan Maturity Concentration
	• Currency Induced Credit Risk
	• Collateral Concentration Risk
	• Concentration in Human Resource
	• Residual Risk

Quantitative Disclosures

b. Capital requirement for Credit risk

Amounts in (₹) million

Particulars (Basel-III)	**Sep 30, 2014**
Portfolio subject to standardised approach	107,606.1
Securitisation exposures	Nil
Total	**107,606.1**

c. Capital requirement for Market risk

Amounts in (₹) million

Portfolio subject to Standardised Duration Method (Basel-III)	**Sep 30, 2014**
Interest rate risk	4,054.1
Foreign Exchange risk (including gold)	45.0
Equity risk	963.9
CVA	14.3
Total	**5,077.3**

d. Capital requirement for Operational risk

Amounts in (₹) million

Particulars (Basel-III)	**Sep 30, 2014**
Basic indicator approach	7,277.5
Total	**7,277.5**

e. Common Equity Tier 1, Tier 1 and Total Capital ratio

Particulars	Basel-III
CET 1 capital ratio	7.48%
Tier I capital ratio	7.91%
Total capital ratio	11.28%

2. Risk exposure and assessment

The Bank has put in place an Internal Capital Adequacy Assessment Committee (ICAAC) which is a Board level Committee vested with the overall responsibility of implementing the ICAAP. The Board of Directors maintains active oversight over Bank's Capital levels so as to ensure that Bank continues to operate above the minimum regulatory capital requirement all the times. The Bank has also set up Credit Risk Management Committee (CRMC), Market Risk Management Committee (MRMC)/ Asset liability management committee (ALCO) and Operational Risk Management Committee (ORMC) for a better and more focused approach towards each major area of Risk Management.

Bank has also formed Zonal level Credit Committee (ZLCC), Circle Level; Credit Committee (CLCC),Head Office Level Credit Committee (HLCC) and Credit Approval Committee (CAC) for according sanctions to credit proposals.

The Bank actively manages its credit risk and has implemented rating cum appraisal system for commercial credit facilities of Rs.10 lakhs and above. The borrowers are rated based on the financials, the project viability, collaterals offered etc. Ratings assigned by the appraising officers are independently verified by the Risk Managers, before confirming the same. There are 8 rating grades for standard borrowers and 1 rating grade for defaulted borrower respectively. The Bank has implemented a multi-tier credit approving system wherein an "Approval Grid" clears the loan proposals before being placed to the respective sanctioning authorities. The Group Credit Policy has defined the hurdle rate i.e. the minimum rating that the borrower should get in case of new/takeover proposals. The Bank has been steadily building data through the rating system which will help the bank in migrating to the advanced approaches in Risk Management.

In order to quicken the processing of Retail Loans and maintain quality in appraisal, Retail Hubs for processing of retail loans has been set up across the country. The Retail hubs have enabled the bank for speeding up the processing of Retail Loans and to also process the appraisal note of retail obligors keeping in view Risk Perspective. For a focused approach and faster dispensation of SME credit and Agriculture loans, the Bank has opened exclusive SME Loan centers in Sixteen Cities across the country.

Risk Management Architecture

Credit Risk:
Credit Risk is defined as a potential risk that a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms. The goal of credit risk management is to maximize a bank's risk-adjusted rate of return by maintaining credit risk exposure within acceptable levels.

Credit Risk Management Organisation
The Credit Risk Management Committee (CRMC) looks after the credit risk areas and in turn reports to the Risk Management Committee of Board (RMCB). The RMCB reports to the Board.

Policies in place:

Bank has put in place following policies for Credit Risk Management:

- Group Credit Policy
- Country Risk Management Policy
- Credit Risk Quantification Policy
- Credit Risk Management Principle
- Risk Management Charter
- Collateral Management Policy

Market Risk:

Market risk is defined as the risk of losses in on-balance sheet and off-balance sheet positions arising from movements in market prices.

Market Risk Management Organisation

The Bank has set up an independent Mid – Office at its Treasury Branch, Mumbai. Mid office acts as extended arm of Integrated Risk Management Division and is entrusted with the responsibility of monitoring the adherence of various risks limits set, such as, Trading limits, Counterparty exposure limits etc. The Mid Office calculates the Value At Risk on a daily basis and reports the same to the Integrated Risk Management Division. Any breach of limits is immediately brought to the attention of Top management and necessary actions are taken wherever required.

The Market Risk Management Committee (MRMC) looks after the Market Risk areas and in turn reports to the Risk Management Committee of Board (RMCB). The RMCB reports to the Board.

Policies in place:

Bank has put in place following policies for Market Risk Management:

- Investment Policy
- Market Risk Policy
- Derivative Policy
- Gold Loan Policy
- Precious Metal Policy

Operational Risk:

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk.

The Operational Risk Management Committee (ORMC) is entrusted with Operational Risk Management areas and in turn reports to the Risk Management Committee of Board (RMCB). The RMCB reports to the Board.

Policies in place:

Bank has put in place following policies for Operational Risk Management:

- Operational Risk Policy

Approaches for capital computation

In line with the Reserve Bank of India (RBI) Guidelines, the Bank has adopted following approaches for implementation of New capital Adequacy Framework under Basel-II norms.

- Standardised Approach for Credit Risk.

- Standardised Duration Approach for Market Risk.
- Basic Indicator Approach for Operational Risk.

The Bank is in the process of migration to advanced approaches for credit, market and operational risk.

Table DF-3: Credit Risk: General Disclosures for all Banks

a. The Bank has adopted the definition of the past due and impaired assets (for accounting purposes), as defined by the regulator, for income recognition and asset classification norms.

The Bank has put in place Board approved Group Credit Policy. The objectives of the policy are to ensure that the operations are in line with the expectation of the Management / Regulator so that strategies of the top management are translated into meaningful and desired outcomes at operational level. The policy stipulates prudential limits on large credit exposure, standards for loan collateral, portfolio management, risk concentration, 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.

Various Risk Management Committees monitor implementation of these policies and strategies approved by the Board. They monitor credit risks and ensure compliance of risk limits.

The Bank monitors the risk concentration by analyzing the actual exposure Vis-à-vis exposure limits fixed for single and group borrowers, rating grade–wise limits, Industry wise exposure limits and analyzing the geographical distribution of credit across the Zones / States etc.

b. Total Gross credit risk exposures, Fund Based and Non-fund based

Particulars	Amounts in (₹) million
Fund Based (Book value)	
Gross Advances	1,382,062.8
Investments (including RIDF and venture capital funds liable for credit risk)	94,714.4
Other Assets*	26,146.8
Non Fund Based	
Market related$	39,845.7
Non-Market related (Book Value)	251,610.5
Total Credit risk exposures	1,695,030.1

* Risk weighted as per RBI guidelines

$ Credit equivalent value of derivatives and market value of securities posted as collateral for collaterised lending and borrowing transactions

c. Geographical Distribution of Credit risk exposures

Amounts in (₹) million

Exposure distribution	September 30th, 2014		
	Fund Based	Non-fund Based	Total
Domestic	1,382,062.8	251,610.5	1,633,673.3
Overseas	-	-	-

d. Industry type distribution of exposures, fund based and non-fund based

Amounts in (₹) million

Industry Code	Industry	Fund Based	Non-Fund Based	Total	%age of Gross Credit Exposure
1	A. Mining and Quarrying (A.1 + A.2)	1,125.4	335.3	1,460.7	
11	A.1 Coal	626.8	335.3	962.1	0.06%
12	A.2 Others	498.6	-	498.6	0.03%
2	B. Food Processing (Sum of B.1 to B.5)	35,291.3	7,692.9	42,984.2	
21	B.1 Sugar	4,840.4	46.3	4,886.7	0.30%
22	B.2 Edible Oils and Vanaspati	2,862.7	4,976.3	7,839.0	0.48%
23	B.3 Tea	211.0	42.6	253.6	0.02%
24	B.4 Coffee	908.8	-	908.8	0.06%
25	B.5 Others	26,468.5	2,627.7	29,096.2	1.78%
3	C. Beverages (excluding Tea & Coffee) and Tobacco (Sum of C.1 & C.2)	8,445.2	3,401.8	11,847.0	
31	C.1 Tobacco and tobacco products	4,588.0	3,401.8	7,989.8	0.49%
32	C.2 Others	3,857.2	-	3,857.2	0.24%
4	D. Textiles ((Sum of D.1 to D.6)	59,101.7	8,592.3	67,694.0	
41	D.1 Cotton	34,063.6	2,750.4	36,814.0	2.25%
42	D.2 Jute	19.1	-	19.1	0.00%
43	D.3 Handicraft/Khadi (Non Priority)	591.4	-	591.4	0.04%
44	D.4 Silk	520.0	-	520.0	0.03%
45	D5. Woolen	-	-	-	0.00%
46	D6. Others	23,907.5	5,841.9	29,749.4	1.82%
47	Out of D (i.e., Total Textiles) to Spinning Mills	1,482.3	-	1,482.3	0.09%
5	E. Leather and Leather products	2,947.7	578.5	3,526.2	0.22%
6	F. Wood and Wood Products	9,419.9	6,201.8	15,621.7	0.96%
7	G. Paper and Paper Products	4,855.4	833.3	5,688.7	0.35%
8	H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	8,722.2	1,116.5	9,838.7	0.60%
9	I. Chemicals and Chemical Products (Dyes, Paints, etc.) (Sum of I.1 to I.4)	42,865.0	9,850.7	52,715.7	
91	I.1 Fertilisers	4,744.2	1,537.3	6,281.5	0.38%
92	I.2 Drugs and Pharmaceuticals	12,914.2	1,295.0	14,209.2	0.87%
93	I.3 Petro-chemicals (excluding under Infrastructure)	18,556.4	5,766.7	24,323.1	1.49%
94	I.4 Others	6,650.3	1,251.7	7,902.0	0.48%
10	J. Rubber, Plastic and their Products	6,196.8	1,822.6	8,019.4	0.49%
11	K. Glass & Glassware	976.8	481.4	1,458.2	0.09%
12	L. Cement and Cement Products	13,562.7	1,078.9	14,641.6	0.90%
13	M. Basic Metal and Metal Products (M.1 + M.2)	58,256.8	10,507.0	68,763.8	
131	M.1 Iron and Steel	45,574.7	9,582.9	55,157.6	3.38%
132	M.2 Other Metal and Metal Products	12,682.1	924.1	13,606.2	0.83%
14	N. All Engineering (N.1 + N.2)	43,555.0	31,599.1	75,154.1	

141	N.1 Electronics	19,693.5	5,727.8	25,421.3	1.56%
142	N.2 Others	23,861.5	25,871.3	49,732.8	3.04%
15	O. Vehicles, Vehicle Parts and Transport Equipment's	27,676.8	2,884.0	30,560.8	1.87%
16	P. Gems and Jewellery	39,413.4	1,161.3	40,574.7	2.48%
17	Q. Construction	3,602.2	1,451.8	5,054.0	0.31%
18	R. Infrastructure (Sum of R1 to R.4)	226,308.9	24,235.6	250,544.5	
181	R.1 Transport ((Sum of R.1.1 to R.1.5)	46,830.6	13,827.2	60,657.8	3.71%
1811	R.1.1 Railways	-	-	-	0.00%
1812	R.1.2 Roadways	42,027.8	3,828.9	45,856.7	2.81%
1813	R.1.3 Airport	3,178.5	-	3,178.5	0.19%
1814	R.1.4 Waterways	-	-	-	0.00%
1815	R.1.5 Others	1,624.2	-	1,624.2	0.10%
182	R.2 Energy (Sum of R.2.1 to R.2.4)	131,096.9	13,827.2	144,924.1	
1821	***R.2.1 Electricity (generation-transportation and distribution)***	***130,803.6***	***13,827.2***	***144,630.8***	8.85%
18211	R.2.1.1 State Electricity Boards	66,189.8	-	66,189.8	4.05%
18212	R.2.1.2 Others	64,613.8	13,827.2	78,441.0	4.80%
1822	R.2.2 Oil (storage and pipeline)	-	-	-	0.00%
1823	R.2.3 Gas/LNG (storage and pipeline)	293.3	-	293.3	0.02%
1824	R.2.4 Others	-	-	-	0.00%
183	R.3 Telecommunication	33,051.3	4,721.7	37,773.0	2.31%
184	R.4 Others (Sum of R.4.1 to R.4.3)	15,330.1	-	15,330.1	0.94%
1841	R.4.1 Water sanitation	665.8	-	665.8	0.04%
1842	R.4.2 Social & Commercial Infrastructure	14,664.4	-	14,664.4	0.90%
1843	R.4.3 Others	-	1,857.8	1,857.8	0.11%
19	S. Other Industries	142,634.0	55,337.8	197,971.8	12.12%
20	All Industries (Sum of A to S)	734,957.2	169,162.6	904,119.8	
21	Residuary Other Advances (to tally with gross advances) [a+b+c]	647,105.6	82,447.9	729,553.5	
211	a. Education Loan	13,198.6	-	13,198.6	
212	b.Aviation Sector	12,409.1	0.4	12,409.5	
213	c.Other Residurary Advances	621,497.9	82,447.5	703,945.4	
22	Gross total Loans and Advances (20+21)	1,382,062.8	251,610.5	1,633,673.3	

Note:

- The above industries wise break-up is provided on the same lines as prescribed for DSB returns.
- Exposure to Electricity (generation-transportation and distribution) industry, as mentioned in industry code 1821 above, is exceeding 5% of Gross Credit exposure (Fund and non-fund based).

e. Residual Contractual Maturity breakdown of assets

Amounts in (₹) million

Maturity Buckets	Cash and Balance with RBI	Balances with Banks and Money at Call and Short Notice	Investments	Advances	Fixed Assets	Other Assets	Grand Total
Next Day	34,351.8	6,727.8	83,672.3	44,725.8	-	24,461.4	**193,939.2**
2 - 7 Days	2,660.2	-	10,309.4	23,886.2	-	8,160.3	**45,016.2**
8 -14 Days	2,458.0	1,100.0	6,810.1	18,353.5	-	6,384.5	**35,106.1**
15- 28 Days	1,530.9	-	16,747.0	23,792.9	-	-	**42,070.8**
29 Days – 3 Months	7,731.1	-	60,463.8	98,848.8	-	3,268.1	**170,311.9**
>3 Months-6 Months	9,973.6	-	76,008.2	90,319.6	-	8,962.5	**185,263.8**
>6 Months-1Yr	14,056.3	-	70,566.1	125,682.4	-	10,944.9	**221,249.7**
>1Yr-3 Yrs	11,016.1	-	95,255.3	550,726.4	-	21,281.8	**678,279.5**
>3 Yrs- 5 Yrs	5,403.8	-	72,086.8	178,423.4	-	-	**255,914.0**
>5 Yrs	20,289.6	-	1,41,636.2	205,533.2	4,362.1	-	**371,821.2**
Total	**109,471.4**	**7,827.8**	**633,555.2**	**1,360,292.1**	**4,362.1**	**83,463.6**	**2,198,972.3**

Note: Contractual maturity break down of assets as used for reporting positions in the ALM returns to RBI

f. Amount of NPAs (Gross)

Classification of Gross NPAs	**Amounts in (₹) million**
Sub –Standard	29,655.9
Doubtful –1	18,050.8
Doubtful – 2	8,417.0
Doubtful – 3	789.1
Loss	4,639.6
Total NPA [Gross]	61,552.4

g. Net NPAs

Amounts in (₹) million

Gross NPAs	61,552.4
Less: Provisions	21770.7
Net NPAs	39,781.7

h. NPA Ratios

Gross NPA to Gross Advances	4.45%
Net NPA to Net Advances	2.92%

i. Movement of NPAs (Gross)

Amounts in (₹) million

Opening balance at the beginning of the year 1st April 2014	47,367.9
Additions during the Year till 30th September 2014	21,048.8
Reductions during the Year till 30th September 2014	6,864.3
Closing balance as on 30th September 2014	61,552.4

j. Movement of Provisions for NPAs

Amounts in (₹) million

Opening balance at the beginning of the year 1st April 2014	15,511.1
Provisions made during the year till 30th September 2014	9,676.9
Written off during the current year till 30th September 2014.	2,588.4
Write back of excess provision made during the year till 30th September 2014	1,007.7
Closing balance as on 30th September 2014	21,591.9

Amounts in (₹) million

k. Amount of Non-Performing Investment	1,160.7
l. Amount of provisions held for non-performing investments	661.7
m. Movement of Provisions for Depreciation on Investments	
• Opening balance	539.4
• Add : Provisions made during the year	122.3
• Less : write-off/write-back of excess provision	-
• Closing balance	661.7

Table DF-4: Credit Risk: Disclosure of portfolios subject to the Standardised Approach

Qualitative Disclosures

a. The Bank is using the ratings assigned by the following credit rating agencies, approved by the RBI, for risk weighting:

1. Crisil
2. Care
3. ICRA
4. Fitch
5. Brickworks
6. SMERA

Types of exposures for which each agency is used

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 the New Capital Adequacy Framework (NCAF). The Bank has not made any discrimination among ratings assigned by these agencies nor has restricted their usage to any particular type of exposure.

Bank Loan Rating

All long term and short term ratings assigned by the accredited credit rating agencies for Bank loan portfolio are considered by the Bank. 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 ratings issued by the chosen domestic credit rating agencies are mapped to the appropriate risk weights applicable as per the Standardised approach under the NCAF. The rating to risk weight mapping furnished below was adopted for domestic corporate exposures, as per RBI guidelines:

Long Term Rating	AAA	AA	A	BBB	BB & Below	Unrated
Risk Weight	20%	30%	50%	100%	150%	100%

In respect of the short term ratings the following risk weight mapping has been adopted by the Bank, as provided in the NCAF:

Short Term Rating	A1+	A1	A2	A3	A4&D	Unrated
Risk Weight	20%	30%	50%	100%	150%	100%

Quantitative Disclosure

b. Amount of bank's outstanding exposure (rated and unrated) in major risk buckets:

Gross Credit Exposure	**Amounts in (₹) million**
Below 100% risk weight	800,525.6
100% risk weight	435,959.9
More than 100% risk weight	397,187.8
Deducted	Nil
Total	1,633,673.3

Table DF-5: Credit Risk Mitigation: Disclosures for Standardised Approaches

Qualitative Disclosures

a. The Bank has a Board approved collateral management policy. The policy covers aspects on the nature of risk Mitigants/collaterals acceptable to the Bank, the documentation and custodial arrangement of the collateral, the valuation process and periodicity etc. For purposes of computation of capital requirement for Credit Risk, the Bank recognizes only those collaterals that are considered as eligible for risk mitigation in

RBI guidelines, which are as follows:

- Gold
- Kisan Vikas Patra, National Saving Certificates
- Cash & Bank Deposits

The Bank uses the comprehensive approach in capital assessment. In the comprehensive approach, when taking collateral, the Bank calculates the adjusted exposure to counterparty by netting off the effects of that collateral for capital adequacy purposes. The credit protection given by the following entities, considered eligible as per RBI guidelines, are recognized for the purpose of capital computation.

Export Credit Guarantee Corporation of India (ECGC) and Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), and Guarantees given by Central and State Government.

The credit risk mitigation taken is largely in the form of cash deposit with the Bank and thus the risk (credit and market) concentration of the Mitigants is low.

Quantitative Disclosures

b. Exposure covered by financial collateral

Amounts in (₹) million

Eligible Financial Collateral	**Total Amount of Financial Collateral Used**	**Net amount of financial collateral after haircut**
Gold	74,332.4	50,014.6
Kisan Vikas Patra, National Saving Certificates	3,534.3	2,416.0
Cash & Bank Deposits	79,858.3	54,915.8

c. Exposure covered by guarantees

Particulars	**Amounts in (₹) million**
CGSTME	7,459.6
ECGC	5,327.2
Government (State & Central)	61,418.0
Total	74,204.8

Table DF- 6 –Securitization: Disclosure for Standardized approach

Qualitative Disclosures

Objectives, Policies, Monitoring

The Bank undertakes loan assignment transactions basically for meeting priority sector lending requirements and maximizing yield on asset opportunities. The loan assignment under securitisation in the Bank is governed by Group Credit Policy. The policy envisages about need of securitisation/ loan assignment, minimum holding period, minimum retention requirement, limit on total retained exposure, booking of profit upfront, disclosures to be made in Servicer/Investor/Trustee Report, disclosures to be made by the originator in notes to annual accounts, loan origination standards, stress testing, credit monitoring etc.

The Bank also invests in Pass Through Certificates (PTCs) backed by financial assets originated by third parties for the purposes of holding/trading/maximizing yield opportunities requirements.

In case of Loan Assignment transactions, the assignee bears the loss arising from defaults/delinquencies by the underlying obligors. The pool assets purchased under securitization/ loan assignment basis is eligible for qualifying as advances in Bank's book as per RBI guidelines. Bank has considered all the purchased pool assets as part of its advances and has applied the rating, for the purpose of capital computation for credit risk, based on the available pool rating assigned by the accredited external rating agencies approved by RBI.

External credit rating agencies

Rating assigned by the following rating agencies is used for loan assignment transactions:

- Credit Rating Information Services of India Limited (CRISIL)
- ICRA Limited (ICRA)
- Credit Analysis and Research Limited (CARE)
- India Ratings and Research Private Limited (India Ratings)
- Brickwork Ratings India Private Limited (Brickwork)
- SMERA

Quantitative disclosures: Banking Book

Aggregate amount of on-balance sheet securitisation exposures purchased:

Amounts in (₹) million

Exposure Type	Sep 30, 2014
Housing Loans (classified under advances)	4,408.0
Vehicle Loans (classified under advances)	807.7
Total	5,215.7

Aggregate amount of securitisation exposures purchased and the associated capital charges, broken down between exposures and further broken down into different risk weight bands for each regulatory capital approach:

Amounts in (₹) million

Risk weight Band	Exposure type	Sep 30, 2014	
		Exposure	Capital Charge
Less than 100%	Housing Loans	4,408.0	81.7
	Vehicle Loans	807.7	27.3
At 100%	Housing Loans	-	-
	Vehicle Loans	-	-
More than 100%	Housing Loans	-	-
	Vehicle Loans	-	-
Total		**5,215.7**	**109.0**

Securitisation exposures deducted from capital as on September 30, 2014: NIL

Securitisation exposures in trading book

Aggregate amount of securitisation exposures invested (through PTCs), subject to the securitisation framework for specific risk broken down into different risk weight bands and capital requirement:

Amounts in (₹) million

Risk weights Band	Book Value	Capital Charge
Less than 100%	**3.5**	**0.8**
At 100%	-	-
More than 100%	-	-
Total	**3.5**	**0.8**

Securitisation exposures deducted from capital as on September 30, 2014: NIL

Table DF-7: Market Risk in Trading Book

Qualitative Disclosures

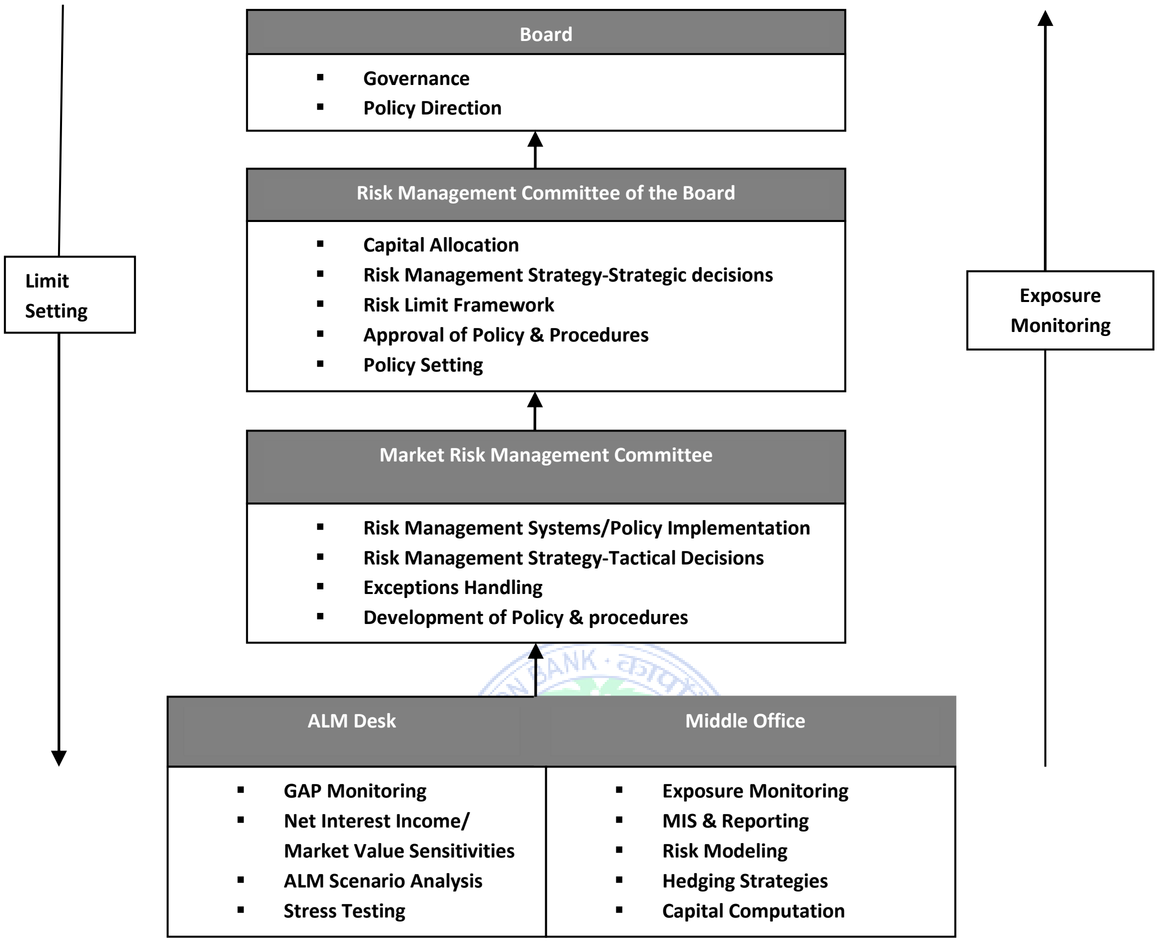
a. Market Risk:

Market Risk is the risk to the Bank's earnings and capital due to changes in the market level of interest rates or prices of securities, foreign exchange, commodities and equities, as well as the volatilities of those changes.

Activities undertaken by the Bank which give rise to market risks are as follows:

Source /Activity	Domestic	Forex	Gold	Derivatives
Trading	Domestic Treasury Operations (comprising of Bonds, Equity, Mutual Funds, Commercial paper, Certificates of Deposit ,etc)	Forex Treasury Operations (Spots, Forwards, and Fx Swaps)	Proprietary positions	Proprietary positions
Non-Trading or Banking	Investment Portfolio (HTM)	None	None	Used for hedging Banking Book

Market Risk Management Organisation:



Investment Committee: For the purpose of focused approach on investments, Bank has constituted Investment Committee at Head Office comprising senior executives of the Bank.

Policy and Procedures: Bank has devised detailed policy guidelines for management of Market Risk. The purpose of the policy document is to define processes whereby the market risks carried out by the Bank can be identified, quantified and managed within a market risk framework that the Board of Directors considers as consistent with its mandate and risk tolerance. The policy document acknowledges that market risk is simply one of the wide arrays of risks carried out by the Bank. The objective of policy document is that the Bank's operations are in line with management's expectations of return to market risk.

Capital Computation: Bank has adopted the Standardized Duration Approach for its entire portfolio, as prescribed by RBI, for computation of capital charge for Market Risk.

Preparedness for moving over to advanced approaches (IMA Capital Charge): Bank has completed the up-gradation of its existing capital computation model to meet the requirement of Internal Model Approach. The upgraded IMA model is running on a test basis for further improvements.

Quantitative Disclosures

b. Bank maintains capital charge for Market Risk under the Standardised duration approach as under:

Standardised duration approach	Amounts in (₹) million
Interest Rate Risk	4,054.1
Equity Position Risk	963.9
Foreign Exchange Risk (including Gold)	45.0
CVA	14.3
Total	**5,077.3**

Table DF-8: Operational Risk

Qualitative Disclosures

Operational Risk

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 organization structure for Operational Risk Management with clearly defined roles and responsibilities to mitigate operational risk arising out of the Bank's business and operations.

Organizational Structure for Managing Operational Risk

A committee comprising of senior management personnel viz. Operational Risk Management Committee (ORMC) oversees the implementation of operational risk management framework approved by the Board. The ORMC is headed by the senior most Executive Director. General Managers of Risk Management, Inspection and Audit Division, Human Resource, Information Technology, Compliance, Credit and Operation & Services are members of ORMC. An independent Integrated Risk Management Division (IRMD) is responsible for the implementation of the framework across the Bank. Board approved operational risk management policy stipulates the roles and responsibilities of employees, business units, operations and support functions in managing operational risk.

Risk Measurement and Monitoring

While the day-to-day operational risk management lies with business lines, operations and support functions, the IRMD is responsible for designing tools and techniques for identification and monitoring of operational risk across the Bank consistent with the framework approved by the Board. The IRMD also ensures operational risk exposures are captured and reported to the relevant levels of the management for initiating suitable risk mitigations in order to contain operational risk exposures within acceptable levels.

The Bank applies a number of risk management techniques to effectively manage operational risks:

- New products are rolled out after approval from the New Product Committee / Systems and Procedure Committee and Operational Risk Management Committee (ORMC).
- A bottom up risk assessment process, Risk and Control Self-Assessment identifies high risk areas so that the Bank can initiate timely remedial measures. This assessment is conducted at yearly rests to update senior management, of the risk levels across the Bank.

- Key Risk Indicators are employed to alert the Bank on impending problems in a timely manner. These allow monitoring of the operational risk exposures.
- Material operational risk losses are subjected to detailed risk analysis.
- Bank conducts annual scenario analysis to derive information on hypothetical severe loss situations and use the information for risk management actions, apart from analyzing the plausible financial impact.
- Periodic reporting on risk assessment and monitoring is made to the senior management to ensure that timely actions are initiated.

Capital Requirement

The Bank has devised an operational risk measurement system compliant with Advanced Measurement Approach for estimating operational risk capital of the Bank.

Currently the Bank follows the Basic Indicator Approach for computing operational risk capital. Bank has applied to the regulator to move over to The Standardized Approach and Advanced Measurement Approach for estimating operational risk capital.

Table DF-9: Interest Rate Risk in the Banking Book (IRRBB)

Qualitative Disclosures

a. Bank's ALM risk management process consists of management of Liquidity Risk and Interest Rate Risk in the Banking Book (IRRBB). Liquidity risk primarily arises due to the maturity mismatches associated with assets and liabilities of the Bank. Liquidity risk involves the inability of the Bank to manage unplanned changes in funding sources, meet obligation when required and fund increase in assets. Interest Rate Risk in Banking Book (IRRBB) refers to the risk of loss in earnings or economic value of the assets / liabilities in Banking Book because of movement in interest rates. The Bank has significant portion of its assets and liabilities portfolio not marked to market and is held in the books of the Bank at historical values. Thus, the changes in the economic value of such assets and liabilities can be a significant source of risk if the assets are not held until maturity. The Bank's objective is to maintain liquidity risk and IRRBB within tolerable limits.

Analysis of Interest Rate Risk in Banking Book:

- **Re-pricing risk:** refers to the risk of loss in the earnings or economic value due to the changes in the overall level of interest rates. This risk arises due to mismatches in the reprising dates of the banking book items.

- **Re-pricing Gap Approach:** Under this approach, the rate sensitive assets and liabilities are grouped into various time intervals or buckets according to the repricing time. The Bank's gap then equals to the difference between rate sensitive assets and rate sensitive liabilities, which is further used to identify the Bank's interest rate risk and to develop strategy to manage the same. The parameter that are observed and analyzed under this analysis is the Net Interest Income (NII) and Net Interest Margin (NIM).

- **Economic Value Approach:** This approach analyzes the dynamic behavior of economic value of equity with response to varying interest rate scenarios. Broadly, the EVE is defined as the difference between the economic value of assets and economic value of liability in response to a change in the interest rate. The linkage between the two is established via modified duration of rate sensitive assets and liabilities.

Policy and Procedure Overview:

The policy for Interest Rate Risk Management is in place. The broad overview of policy and procedure is given below:

- **Principles of interest rate risk management:** The policy of the Bank defines the principles and objectives of the interest rate risk management. The Bank intends to address all material sources of interest rate risk including gap or mismatch, basis, embedded option, yield curve, price, reinvestment and net risk interest position exposures. To mitigate the impact of Interest Rate Risk, Bank shall go in for several new hedging instruments available in the market such as Forward rate agreements, Interest Rate Swaps, Options, Futures etc.

- **Roles and Responsibilities:** Asset liability committee (ALCO) is responsible for the implementation of interest rate risk management strategy of the Bank. The day-to-day responsibility of risk measurement, monitoring, and evaluation rests with the ALM Desk and the Middle Office.

- **Measurement of interest rate risk:** The Bank measures and manages interest rate risk in the banking book by continuously monitoring the rate sensitive gap statements across pre-defined time buckets. The Bank has defined the approach to study interest rate risk via Net Interest Income (NII) and Economic Value of Equity approach.

- **Interest Rate Risk Limit:** Bank uses interest rate gap limits in each time bucket as well as cumulative interest rate gap limits across the time buckets.

Structure and Organization

The ALM risk management process of the Bank operates in the following hierarchical manner:

Board of Directors

The Board has the overall responsibility for management of liquidity and interest rate risks. The Board decides the strategy, policies and procedures of the Bank to manage liquidity and interest rate risk including setting of risk tolerance limits and reviewing of stress test results.

Risk Management Committee of the Board (RMCB)

RMCB is responsible for ensuring compliance with regulatory requirements and also for identification, measurement, monitoring and management of all risk inherent in the banking activities including liquidity and interest rate risks. RMCB is supported by Assets Liability Management Committee (ALCO). ALCO are in turn supported by ALCO desk.

Asset Liability Committee (ALCO)

ALCO is a decision-making unit responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity and interest rate risk management strategy of the Bank in line with the Bank's risk management objectives and risk tolerance. The ALCO is also responsible for balance sheet planning from risk-return perspective including strategic management of liquidity and interest rate risks. The role of the ALCO includes the following:

- Product pricing for deposits and advances
- Deciding the desired maturity profile and mix of incremental assets and liabilities
- Articulating interest rate view of the Bank and deciding on the future business strategy
- Reviewing and articulating funding strategy
- Ensuring adherence to the limits set by the Board of Directors
- Determining the structure, responsibilities and controls for managing liquidity and interest rate risk
- Ensuring operational independence of risk management function
- Reviewing stress test results
- Deciding on the transfer pricing policy of the Bank

Risk Measurement Systems and reporting:

Liquidity Risk is measured using flow approach and stock approach. **Under flow approach** the Bank manages and monitors the liquidity on the following basis:

- **Preparation and analysis of Structural Liquidity Statement:** Bank prepares Structural Liquidity Statement (SLS) on a daily basis for analysis of maturity gap according to RBI defined time buckets. Daily SLS is being reported to top management. Bank also prepares SLS on each Friday, first and third Wednesday and 15th and last day of every month and reports to ALCO. SLS on a Fortnightly basis is being reported to RMCB also.

- **Static Ratio Analysis for various liquidity parameters:** Bank prepares and analyses various Static Ratios according to stock and flow approaches and reports to ALCO and ICAAC on a quarterly basis.

- **Dynamic Liquidity Analysis for likely position until 90 days:** Bank is also preparing and analyzing Dynamic Liquidity Statement (DLS) on a fortnightly basis. DLS is reported to ALCO on a monthly basis.

- **Back testing:** Bank is also conducting back testing for 90 days on a quarterly basis and reports to ALCO and RMCB and also short term back testing (14 days) of DLS conducted on a fortnightly basis and reports to top management.

- **Interest Rate Sensitivity Statement:** IRS statement is reported to ALCO, RMCB and RBI on a monthly Basis.

- **Duration Analysis:** Statement of duration and modified duration is reported to ALCO and RBI on a monthly basis.

- **Earning at Risk:** Statement of EAR is reported to ALCO and RMCB on a monthly basis.

- **The** overall liquidity is monitored by the IRMD and Treasury Division. ALCO monitors the liquidity position on regular basis as per the tenor buckets predefined by the Bank.

- As part of Contingency Funding Plan, Bank has made some line of credit arrangements with other Banks.

Stock approach involves measurement of critical ratios in respect of liquidity risk. Analysis of liquidity risk also involves examining how funding requirements are likely to be affected under crisis scenarios. The Bank has a Board approved liquidity stress framework guided by the regulatory instructions. The Bank has an extensive intraday liquidity risk management framework for monitoring intraday positions during the day.

IRRBB is measured and controlled using both Earnings Perspective (Traditional Gap Analysis) and Economic Value Perspective (Duration Gap Analysis). Earnings Perspective measures the sensitivity of net interest income to changes in interest rate over the next 12 months. It involves bucketing of rate sensitive assets, liabilities and off-balance sheet items as per residual maturity/ re-pricing date in various time bands and computing change of income under 200 basis points upward and downward rate shocks over a one year horizon. Economic Value Perspective calculates the change in the present value of the Bank's expected cash flows for a 200 basis point upward and downward rate shock. The Bank also undertakes periodic stress testing for its banking book. This provides a measure to assess the Bank's financial standing from extreme but plausible interest rate fluctuations.

Quantitative Disclosures

b. Earnings Perspective (impact on net interest income)

Amounts in (₹) million

	Impact on NII
Impact of 100 bps parallel shift in interest rate on both assets & liability on Net Interest Income (NII)	1,323.9

Economic Value Perspective (impact on market value of equity)

Amounts in (₹) million

	Impact on MVE
Impact of 100 bps parallel shift in interest rate on both assets & liability on Market Value of Equity (MVE)	9,445.4

Table DF-10: General Disclosure for Exposures related to Counter Party Credit Risk.

Qualitative Disclosures

Counterparty Credit Risk (CCR) is the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows. Unlike credit risk, where the exposure is unilateral and only the bank faces the risk of loss, CCR creates a bilateral risk of loss: the market value of the transaction can be positive or negative to either counterparty to the transaction. The market value is uncertain and can vary over time with the movement of underlying market factors. Bank has put in place Board approved Group Credit Policy, Investment Policy and Country Risk Management Policy for the management of counter party credit risk. CCR limits are computed based on internal model that considers various parameters like financial risk scoring, business risk scoring, industry risk scoring etc and limits specified in various Bank policies. The CCR limits forms part of regular appraisal process.

The Bank deals in two groups of derivative transactions within the framework of RBI guidelines.

- Over the Counter Derivatives
- Exchange traded Derivatives

The Bank presently deals in Interest Rate and Currency Derivatives. The Bank undertakes derivative transactions for proprietary trading/market making, hedging own balance sheet and for offering to customers, who use them for hedging their risks within the prevalent regulations.

Bank has not recognize bilateral netting and has not entered into any credit support agreements. Capital for CCR is computed based on Standardized Approach.

Quantitative Disclosures

Amounts in (₹) million

	Particulars	Notional Value	Eq. Value
A	Forward Contracts	44,471.8	1,412.1
	Out of above---		
	Forward Forex contracts	42,920.6	1,412.1
	Forward Forex contracts (Original maturity less than 14 days)	1,551.2	-
B	Swaps- Inter Bank	573,582.3	10,180.1
	Out of above---		
	With Banks	334,974.7	10,180.1
	With RBI	187,460.2	-
	Inter Bank(Original maturity less than 14 days)	51,147.4	-
C	Interest rate contracts (Single currency other than floating/ floating interest rate swaps)	10,500.0	112.8
	Total (A+B+C)	**628,554.0**	**11,704.9**

Table DF-11: Composition of Capital Disclosures
(Refer the template to be used before March 30, 2017)

Amounts 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)	Amount	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)	18,084.1	-	**A+E**
2	Retained earnings	82,270.7	-	**B+C+D+F**
3	Accumulated other comprehensive income (and other reserves)	-	-	
4	Directly issued capital subject to phase out from CET 1 (only applicable to non-joint stock companies1)	-	-	
	Public sector capital injections grandfathered until 1 January 2018	-	-	

5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	-	
6	**Common Equity Tier 1 capital before regulatory Adjustments**	**100,354.8**	-	
	Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	-	-	
8	Goodwill (net of related tax liability)	-	-	
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	-	-	
10	Deferred tax assets	-	-	
11	Cash-flow hedge reserve	-	-	
12	Shortfall of provisions to expected losses	-	-	
13	Securitisation gain on sale	-	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	-	
15	Defined-benefit pension fund net assets	-	-	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-	-	
17	Reciprocal cross-holdings in common equity	297.4	1189.6	**G**
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)	-	-	
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)	-	-	
20	Mortgage servicing rights (amount above 10% threshold)	-	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-	
22	Amount exceeding the 15% threshold	-	-	
23	of which: significant investments in the common stock of financial entities	-	-	
24	of which: mortgage servicing rights	-	-	
25	of which: deferred tax assets arising from temporary differences	-	-	
26	National specific regulatory adjustments (26a+26b+26c+26d)	-	-	
26a	of which: Investments in the equity capital of the unconsolidated insurance subsidiaries	-	-	
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries	-	-	

26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	-	-	
26d	of which: Unamortised pension funds expenditures	552.1	552.1	**Note 1**
	Regulatory Adjustments Applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	-	-	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	-	
28	**Total regulatory adjustments to Common equity Tier 1**	**849.5**	-	
29	**Common Equity Tier 1 capital (CET1)**	**99,505.3**	-	
	Additional Tier 1 capital: instruments		-	
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	-	-	
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	-	-	
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	-	-	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	5,900.0	1,475.0	H
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)	-	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	-	
36	**Additional Tier 1 capital before regulatory adjustments**	**5,900.0**		
	Additional Tier 1 capital: regulatory adjustments		-	
37	Investments in own Additional Tier 1 instruments	-	-	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	-	
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)	-	-	
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)	-	-	
41	National specific regulatory adjustments (41a+41b)	-	-	
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	-	-	

41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	-	-	
	Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	-	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	
43	**Total regulatory adjustments to Additional Tier 1 capital**	**-**	-	
44	**Additional Tier 1 capital (AT1)**	5,900.0	-	
44a	**Additional Tier 1 capital reckoned for capital adequacy**	5,900.0	-	
45	**Tier 1 capital (T1 = CET1 + AT1) (29+44a)**	**105,405.3**	-	
	Tier 2 capital: Instruments and provisions		-	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	-	
47	Directly issued capital instruments subject to phase out from Tier 2	35,840.0	10,160.0	
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)	-	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	-	
50	Provisions and other Tier-II reserves	9,164.2	-	**K+J**
51	**Tier 2 capital before regulatory adjustments**	45,004.2		
	Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	-	-	
53	Reciprocal cross-holdings in Tier 2 instruments	-	-	
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)	-	-	

55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) Significant investments13 in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-	
56	National specific regulatory adjustments (56a+56b)	-	-	
56a	of which: Investments in the Tier 2 capital of unconsolidated subsidiaries	-	-	
56b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	-	-	
	Regulatory Adjustments Applied To Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment	-	-	
	Of which Investment in Non Financial Subsidiary eligible for 50% deduction from Tier II	-	-	
57	**Total regulatory adjustments to Tier 2 capital**	**-**		**-**
58	**Tier 2 capital (T2)**	**45,004.2**		
58a	**Tier 2 capital reckoned for capital adequacy**	**45,004.2**		
58b	**Excess Additional Tier 1 capital reckoned as Tier 2 capital**	**-**	-	
58c	**Total Tier 2 capital admissible for capital adequacy (58a + 58b)**	**45,004.2**		
59	**Total capital (TC = T1 + T2) (45 + 58c)**	**150,409.4**		
	Risk Weighted Assets in respect of Amounts Subject to Pre- Basel III Treatment		-	
60	**Total risk weighted assets (60a + 60b + 60c)**	**1,332,897.5**	-	
60a	**of which: total credit risk weighted assets**	**1,195,623.1**	-	
60b	**of which: total market risk weighted assets**	**56,413.7**	-	
60c	**of which: total operational risk weighted assets**	**80,860.7**	-	
	Capital ratios in (%)			
61	**Common Equity Tier 1 (as a percentage of risk weighted assets)**	**7.47%**	-	
62	**Tier 1 (as a percentage of risk weighted assets)**	**7.91%**	-	

63	**Total capital (as a percentage of risk weighted assets)**	**11.28%**	-	
64	**Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)**	**-**	-	
65	**of which: capital conservation buffer requirement**	**-**	-	
66	**of which: bank specific countercyclical buffer requirement**	**-**	-	
67	**of which: G-SIB buffer requirement**	**-**	-	
68	**Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)**	**-**	-	
	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	-	-	
73	Significant investments in the common stock of financial entities	-	-	
74	Mortgage servicing rights (net of related tax liability)	-	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-	-	
	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)	8,988.2	-	**J**
77	Cap on inclusion of provisions in Tier 2 under standardised approach	14,945.3	-	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	-	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	-	
	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	-	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-	

82	Current cap on AT1 instruments subject to phase out arrangements	-	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-	

Note 1

Unamortised Pension Fund Expenditure has been debited to P&L account up to the extent of Rs.552.1 Mio from 1/04/2014-30/09/2014. In the Regulatory Scope of accounting the remaining unamortised amount Rs.552.1 Mio has been Fully deducted from Tier 1.

Table DF-12: Composition of Capital-Reconciliation Requirements

Step 1: There is no difference between the regulatory consolidations and accounting consolidation, hence step 1 is not applicable.

Step 2 :

Amounts in (₹) million

Sr No	Particulars	Balance Sheet as in Financial statements as on 30th September 2014	Balance Sheet under Regulatory Scope of Consolidation as on 30th September 2014	Ref No
A	**Capital & Liabilities**			
ia	**Paid-up Capital**	**1,675.4**	**1,675.4**	**A**
	of which: Amount eligible for CET1	1,675.4	1,675.4	
	of which: Amount eligible for AT1	-	-	
ib	**Reserves & Surplus (a+b)**	**102,775.0**	**98,855.3**	
	of which eligible for Tier I (a)	**102,599.1**	**98,679.3**	
	Statutory Reserves	30,825.2	30,825.2	B
	Special Reserves	13,761.1	12,851.1	C
	Capital Reserve	7,831.1	7,831.1	D
	Share Premium	16,408.7	16,408.7	E
	Share Forfeited a/c	-	-	
	General reserves(excluding development fund, Development and Research fund and reserve for adverse fluctuations in Fex and investment reserve)	30,763.3	30,763.3	F
	Other Disclosed Free Reserve	-	-	
	P& L Account Balance	3,009.8	-	
	Out of which considered under the regulatoy scope of consolidation	-	-	
	Of which Eligible for Tier II (b)	**175.9**	**175.9**	**K**

	Other Reserves (including development fund, Development and Research fund and reserve for adverse fluctuations in Fex, Investment Reserve)	175.9	175.9	
	Minority Interest	-	-	
	Total Capital (ia+ib)	**104,450.5**	**100,530.7**	
ii	**Deposits**	**1,912,652.0**	**1,912,652.0**	
	of which: Deposits from banks	203,407.9	203,407.9	
	of which: Customer deposits	1,593,511.0	1,593,511.0	
	of which: Other deposits	115,733.1	115,733.1	
	Current Accounts Including Stale Accounts	92,716.0	92,716.0	
	Credit balance in OD	658.5	658.5	
	Credit balance in CC A/C	3,436.8	3,436.8	
	Call Deposits	4.2	4.2	
	Sundry Deposits	3,292.2	3,292.2	
	Overdue Deposits	14,312.2	14,312.2	
	Corpflex A/C (EEFC)	1,313.2	1,313.2	
iii	**Borrowings**	**79,291.4**	**79,291.4**	
	of which: From RBI	9,200.0	9,200.0	
	of which: From banks	8,348.3	8,348.3	
	of which: From other institutions & Agencies (a+b+c)	**340.5**	**340.5**	
	Other Agencies-Sidbi (a)	-	-	
	Other Agencies-Nabard (b)	340.5	340.5	
	Other Agencies-NHB (C)	-	-	
	of which: Others	**8,027.5**	**8,027.5**	
	Others- Borrowings outside India	8,027.5	8,027.5	
	of which: Capital instruments (a+b)	**53,375.0**	**53,375.0**	
	Eligible for AT 1 (a)	**7,375.0**	**7,375.0**	**H**
	of which: Tier I Perpeptual bonds	7,375.0	7,375.0	
	of which considered under regulatory scope of consolidation	-	5,900.0	
	Regulatory adjustments subject to Pre-Basel-III (AT1)		1,475.0	
	Eligible for Tier II capital (b)	**46,000.0**	**46,000.0**	**I**
	Unsecured Redeemable Bonds (Tier II)	46,000.0	46,000.0	
	of which considered under regulatory scope of consolidation	-	35,840.0	
	Regulatory adjustments subject to Pre-Basel-III (Tier-II)		10,160.0	
iv	**Other liabilities & provisions**	**61,678.4**	**61,678.4**	
	Other Liabilities and provisions	52,690.2	52,690.2	
	of which Provision for standard assets considered under Tier-II	8,988.2	8,988.2	J

	of which DTA adjusted against DTL	-	-	
	of which Intangible assets	-	-	
	Total Capital and Liabilities (ia+ib+ii+iii+iv)	**2,158,072.2**	**2,154,152.5**	
Sr No	**Assets**	**Balance Sheet as in Financial statements as on 30th September 2014**	**Balance Sheet under Regulatory Scope of Consolidation as on 30th September 2014**	**Ref No**
i	Cash and balances with Reserve Bank of India including gold at hand	109,471.4	109,471.4	
	Balance with banks and money at call and short notice	7,827.9	7,827.9	
ii	**Investments:**	**633,555.2**	**633,555.2**	
	of which: Government securities	499,571.0	499,571.0	
	of which: Other approved securities	14.0	14.0	
	of which: Shares	**4,521.8**	**4,521.8**	
	of which Reciprocal Cross Holding in Common Shares	1,487.0	1,487.0	
	of which deducted from CET-I	297.4	297.4	**G**
	and of which considered for Risk weight	1,189.6	1,189.6	
	of which: Debentures & Bonds	**33,253.0**	**33,253.0**	
	of which reciprocal cross holding in Tier II instruments	-	-	
	of which deducted from Tier II	-	-	
	of which investment in Subsidiaries / Joint Ventures	**750.0**	**750.0**	
	of which deducted from Tier I capital	-	-	
	of which deducted from Tier II	-	-	
	of which 250% risk weight applied	750.0	750.0	
	of which others (Commercial Papers, Mutual Funds etc.)	95,445.3	95,445.3	
iii	**Loans and advances**	**1,360,292.1**	**1,360,292.1**	
	of which: Loans and advances to banks	103.6	103.6	
	of which: Loans and advances to customers	1,360,188.6	1,360,188.6	
iv	**Fixed assets**	**4,362.1**	**4,362.1**	
v	**Other assets**	**42,563.5**	**38,643.8**	
	of which: Goodwill and intangible assets	-	-	
	of which: Deferred tax assets	-	-	
vi	**Goodwill on consolidation**	**-**	**-**	
vi	**Debit balance in Profit & Loss account**	**-**	**-**	
	Total Assets	**2,158,072.2**	**2,154,152.5**	

Table DF-13: Main features of Regulatory Capital Instuments

Item	Particulars	Equity Shares	Tier-I bonds	Tier -I bonds	Tier -I bonds	Tier -I bonds
1	Issuer	Corporation Bank				
2	Unique Identifier	INA112A01015	112A09067	112A09117	112A09141	112A09158
3	Governing law(s) of the instrument	Applicable Indian Laws and Regulatory Requirements				
	Regulatory Treatment					
4	Transitional Basel III rules	Common Equity Tier I	Additional Tier I			
5	Post- transitional Basel III rules	Eligible	Ineligible (will be phased out during transition period)			
6	Eligible at solo/group/group and solo	Solo and group	Solo and Group (during transition period)			
7	Instrument type	Equity Shares	Perpetual Unsecured Non-Convertible Subordinated Tier-I Bonds in the nature of Promissory (IPDI)			
8	Amount recognized in regulatory capital (as on 30th Sep 2014)	1675.4	1900	2400	800	800
9	Par value of instrument	Not Applicable	2375	3000	1000	1000
10	Accounting classification	Shareholders' Fund	Liability (Classified under borrowings in Balance Sheet)			
11	Original date of issuance	05.12.1997, 23.10.2001, 29.03.2011, 22.03.2013, 20.12.2013	19.01.2009	10.07.2009	11.08.2009	26.08.2009
12	Perpetual or dated	Perpetual	Perpetual (Bank is having Call option after the instruments has run for at least 10 years subject to RBI's specified conditions)			
13	Original maturity date	No Maturity	No Maturity			
14	Issuer call subject to prior supervisory approval	Not Applicable	Yes (As mentioned in item no. 12)			
15	Optional call date, contingent call date and redemption amount	Not Applicable	19.01.2019 (At Par)	10.07.2019 (At Par)	11.08.2019 (At Par)	26.08.2019 (At Par)
16	Subsequent call dates if applicable	Not Applicable				
	Coupons/ dividends					
17	Fixed or floating dividend/coupon	Not Applicable	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	Not Applicable	9.00%	9.15%	9.05%	9.10%
19	Existence of dividend stopper	Not Applicable	No	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Fully Discretionary	Partially Discretionary			
21	Existence of step up or other incentives to redeem	No	Yes (No incentives to redeem)	Yes (No incentives to redeem)	Yes (No incentives to redeem)	Yes (No incentives to redeem)
22	Non-Cumulative or Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative
23	Convertible or non-convertible	Not Applicable	Non-Convertible			
24	if convertible, conversion trigger(s)	Not Applicable				
25	if convertible, fully or	Not Applicable				

Item	Particulars	Equity Shares	Tier-I bonds	Tier -I bonds	Tier -I bonds	Tier -I bonds
	partially					
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 instruments it converts in to	Not Applicable				
30	Write down feature	Not Applicable				
31	If write down-write down trigger (s)	Not Applicable				
32	If write down fully or partial	Not Applicable				
33	If write down, permanent or temporary	Not Applicable				
34	If write down, description of write up mechanism	Not Applicable				
35	Position in subordination hierarchy in liquidation	Represents the most subordinated claim in liquidation	All other creditors and depositors of the bank			
36	Non-compliant transitioned feature	No	Yes			
37	if yes, specify non-compliant feature	Not Applicable	No-loss absorption Feature			

Item	Particulars	Upper Tier-II Bonds	Upper Tier-II Bonds	Upper Tier-II Bonds	Upper Tier-II Bonds	Upper Tier-II Bonds	Upper Tier-II Bonds	Upper Tier-II Bonds
1	Issuer	Corporation Bank						
2	Unique Identifier	112A09059	112A09075	112A09125	112A09133	112A09166	112A09091	112A09109
3	Governing law(s) of the instrument	Applicable Indian law(s) and regulatory requirements						
	Regulatory Treatment							
4	Transitional Basel III regulatory capital requirement	Upper Tier II Bonds under Tier II Capital						
5	Regulatory capital treatment under Basel III rules not taking into account transitional treatment	Ineligible						
6	Level(s) within the group at which the instrument is included in capital	Solo and Group						
7	Instrument type	Unsecured Redeemable Non-Convertible Subordinated Upper Tier-II Bonds in the nature of Promissory Notes						
8	Amount recognized in regulatory capital (as on 30th Sep 2014)	2400	5600	2000	2400	4400	4000	4000
9	Par value of instrument	3000	7000	2500	3000	5500	5000	5000

10	Accounting classification	Liability (Classified under borrowings in Balance Sheet)						
11	Original date of issuance	12.12.2008	24.02.2009	10.08.2009	11.08.2009	29.04.2010	06.05.2009	28.05.2009
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	12.12.2023	24.02.2024	10.08.2024	11.08.2024	29.04.2025	06.05.2024	28.05.2024
14	Issuer call subject to prior supervisor approval	Yes (Bank is having Call option after the instruments has run for at least 10 years subject to RBI's specified conditions)						
15	Optional call date, contingent call date and redemption amount	12.12.2018 (At Par)	24.02.2019 (At Par)	10.08.2019 (At Par)	11.08.2019 (At Par)	29.04.2020 (At Par)	06.05.2019 (At Par)	28.05.2019 (At Par)
16	Subsequent call dates if applicable	Not Applicable						
	Coupons/ dividends							
17	Fixed or floating dividend/coupon	Fixed						
18	Coupon rate and any related index	10.10%	9.15%	8.45%	8.45%	8.75%	8.25%	8.37%
19	Existence of dividend stopper	No						
20	Fully discretionary, partially discretionary or mandatory	Partially Discretionary						
21	Existence of step up or other incentives to redeem	Yes						
22	Non-Cumulative or Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative
23	Convertible or non-convertible	Non-Convertible						
24	If convertible, conversion trigger	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 to	Not Applicable						
29	If convertible specify issuer of instruments it converts in to	Not Applicable						
30	Write down feature	Not Applicable						
31	If write down-write down features	Not Applicable						
32	If write down fully or partial	Not Applicable						
33	If write down, permanent or temporary	Not Applicable						
34	If write down, description of write up mechanism	Not Applicable						
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All other creditors, depositors and perpetual debt instruments (IPDI) of the bank						
36	Non-compliant transitioned feature	Yes						
37	if yes specify non-compliant feature	No-loss absorption Feature						

Item	Particulars	lower Tier-II Bonds	lower Tier-II Bonds	lower Tier-II Bonds	Lower Tier II bonds	Lower Tier II bonds
1	Issuer	Corporation Bank				
2	Unique Identifier	112A09018	112A09026	112A09034	112A09042	112A09083
3	Governing laws of the instrument	Applicable Indian law(s) and regulatory requirements				
	Regulatory Treatment					
4	Transitional Basel III rules	Lower Tier II Bonds under Tier II Capital				
5	Post- transitional Basel III rules	Ineligible				
6	Eligible at solo/group/group and solo	Solo and Group				
7	Instrument type	Unsecured Redeemable Non-Convertible Subordinated Lower Tier II Bonds in the nature of Promissory Notes				
8	Amount recognized in regulatory capital (as on 30th Sep 2014)	1440	1600	2400	1600	4000
9	Par value of instrument	3000	2000	3000	2000	5000
10	Accounting classification	Liability (Classified under borrowings in Balance Sheet)				
11	Original date of issuance	24.03.2006	19.03.2008	27.03.2008	03.12.2008	31.03.2009
12	Perpetual or dated	Dated				
13	Original maturity date	24.03.2016	19.03.2018	27.03.2018	03.12.2018	31.05.2019
14	Issuer call subject to prior supervisory approval	No				
15	Optional call date, contingent call date and redemption amount	Not Applicable				
16	Subsequent call dates if applicable	Not Applicable				
	Coupons/ dividends					
17	Fixed or floating dividend/coupon	Fixed				
18	Coupon rate and any related index	7.90%	9.30%	9.40%	10.80%	8.85%
19	Existence of dividend stopper	No				
20	Fully discretionary, partially discretionary or mandatory	Not Applicable				
21	Existence of step up or other incentives to redeem	No				
22	Non-Cumulative or Cumulative	Non-Cumulative				
23	Convertible or non-convertible	Non-Convertible				
24	If convertible, conversion trigger	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 in to	Not Applicable
29	If convertible specify issuer of instruments it converts in to	Not Applicable
30	**Write down feature**	Not Applicable
31	If write down-write down features	Not Applicable
32	If write down fully or partial	Not Applicable
33	If write down, permanent or temporary	Not Applicable
34	If write down, description of write up mechanism	Not Applicable
35	Position in subordination hierarchy in liquidation	All other creditors, depositors and perpetual debt instruments (IPDI) of the bank
36	Non-compliant transitioned feature	Yes
37	If yes specify non-compliant feature	No-loss absorption Feature