

## DISCLOSURES UNDER NEW CAPITAL ADEQUACY FRAMEWORK (BASEL II)

### FOR THE YEAR ENDED 30<sup>th</sup> SEPTEMBER 2011

#### I. GENERAL:

The framework of disclosures applies to **RBL Bank** Ltd; a scheduled Commercial bank. As on 30<sup>th</sup> September 2011, the Bank does not have any subsidiaries, affiliates or associated enterprises. The Bank does not have any interest in an insurance entity.

#### II. CAPITAL STRUCTURE:

	Particulars	30-09-2011	30-09-2011
(a)	Tier I Capital:		
	- Paid-up Share Capital	<b>214.95</b>	104.72
	- Reserves	<b>867.85</b>	256.84
	- Innovative instruments:	-	-
	- Other capital instruments	-	-
	- Less-Deferred Tax Asstes	<b>8.25</b>	2.52
	Total Tier I Capital	<b>1074.55</b>	359.04
(b)	The total amount of Tier II capital (net of deductions from Tier II capital)	<b>12.86</b>	5.89
(c)	Debt Capital instruments eligible for inclusion in Upper Tier II capital		
	- Total amount outstanding	<b>NIL</b>	NIL
	- Of which amount raised during the current year	<b>NIL</b>	NIL
	- Amount eligible to be reckoned as capital funds	<b>NIL</b>	NIL
(d)	Subordinated debt eligible for inclusion in Lower Tier II capital		
	- Total amount outstanding	<b>NIL</b>	NIL
	- Of which amount raised during the current year	<b>NIL</b>	NIL
	- Amount eligible to be reckoned as capital funds	<b>NIL</b>	NIL
(e)	Other deductions from capital, if any.	<b>NIL</b>	NIL
(f)	Total Eligible Capital	<b>1087.41</b>	364.93

### III. CAPITAL ADEQUACY:

A summary of Bank's capital requirement for credit, market and operational risk along with capital Adequacy Ratio (CAR) as on 30<sup>th</sup> September 2011 is presented below:

	Particulars	30-09-2011	30-09-2011
(a)	Capital requirements for credit risk: - Portfolios subject to standardized approach - Securitisation exposures.	<b>239.81</b> <b>5.93</b>	87.37 -
(b)	Capital requirements for Market risk: Based on Standardised Duration Approach; - Interest rate risk - Foreign exchange risk (including gold) - Equity risk	<b>29.36</b> <b>2.03</b> <b>1.12</b>	1.87 - 0.91
(c)	Capital requirements for Operational risk: - Based on Basic Indicator Approach;	<b>12.08</b>	10.05
(d)	Total Capital Adequacy ratio of the Bank (%) Tier-1 Capital Adequacy Ratio of the Bank (%)	<b>33.71%</b> <b>33.31%</b>	32.78% 32.25%

### IV. CREDIT RISK- GENERAL DISCLOSURES:

(a) Total gross credit risk exposures\*, Fund based and Non-fund based separately:

₹ in Crores

Category	30-09-2011	30-09-2011
<b>Fund Based</b>	<b>4060.64</b>	1973.95
Advances	2924.17	1230.59
Investments in Banking book	696.42	416.00
All other Assets	440.05	327.36
<b>Non-Fund Based **</b>	<b>255.69</b>	89.27
<b>Total</b>	<b>4316.33</b>	2063.22

\*Represents book value as on 30<sup>th</sup> September.

\*\* Guarantees given on behalf constituents, acceptances, endorsements.

(b) Geographic distribution of exposure\*, Fund based & Non- fund based separately

	30-09-2011			30-09-2010		
Category	Domestic	Overseas	Total	Domestic	Overseas	Total
Fund Based	4060.64	-	4060.64	1973.95	-	1973.95
Non-Fund Based**	255.69	-	255.69	89.27	-	89.27
Total	4316.33	-	4316.33	2063.22	-	2063.22

\*Represents book value as on 30<sup>th</sup> September;

\*\*Guarantees given on behalf constituents, acceptances, endorsements.

(c) Industry type distribution of exposures (gross advances) – Funded & Non-funded

₹ in Crores

		30-09-2011		30-09-2010	
Sr. No.	Industry Classification	Fund Based	Non-Fund Based	Fund Based	Non-Fund Based
1	Coal	0.01	-	-	-
2	Mining	2.93	-	-	-
3	Iron and steel	89.10	0.01	0.76	-
4	Other Metal and Metal Products	71.32	-	2.66	-
5	All engineering	59.32	0.73	8.04	0.35
5.1	Of which (005) Electronic	3.67	-	0.29	-
6	Electricity	19.30	0.17	2.02	-
7	Cotton Textiles	41.12	0.17	10.75	-
8	Jute Textiles	0.09	-	-	-
9	Other Textiles	90.18	-	16.54	-
10	Sugar	6.30	1.01	-	-
11	Tea	0.08	-	-	-
12	Food Processing	79.61	0.01	11.13	0.29
13	Vegetables Oil and Vanaspati	1.00	0.11	0.45	-
14	Tobacco & Tobacco Products	0.21	-	-	-
15	Paper and Paper Products	10.99	-	3.15	-
16	Rubber and Rubber Products	25.51	-	0.22	-
17	Chemical, Dyes, Paints, etc.	132.51	5.76	30.39	10.92
17.1	Of which Fertilisers	0.44	0.04	-	-
17.2	Of which Drugs & Pharmaceuticals	124.62	2.93	22.78	7.34
18	Cement	5.43	-	0.38	-
19	Leather and Leather Products	0.12	-	-	-
20	Gems and Jewellery	6.49	20.00	1.12	-
21	Construction	121.42	29.95	7.22	3.08
22	Petroleum	1.70	-	-	-

23	Automobiles including trucks	2.00	5.80	0.59	2.80
24	Computer Software	24.70	-	0.89	-
25	Infrastructure	58.25	61.41	40.96	44.87
25.1	Of which Power	13.23	50.00	38.56	-
25.2	Of which Telecommunication	0.02	-	-	-
25.3	Of which Road & Ports	4.01	2.75	-	-
26	NBFC's	216.42	-	47.81	-
27	Other Industries	741.65	69.56	112.95	26.96
28	Residuary other Advances (to balance with Gross Advances)	1116.41	50.86	932.55	-
	<b>Total</b>	<b>2924.17</b>	<b>245.55</b>	<b>1230.59</b>	<b>89.27</b>

As on 30<sup>th</sup> September the Bank's exposure to the indicator stated below was more than 5% of the total gross credit exposure (advance):

Sr. No.	Industry Classification	Percentage of the total gross credit exposure	
		30-09-2011	30-09-2010
1.	NBFC's	6.38%	3.62%
2.	Infrastructure	3.78%	6.50%

(d) Residual contractual maturity breakdown of assets

**As on 30-09-2011**

₹ in Crores

Maturity bucket	Cash, balances with RBI and other banks	Investments	Advances	Other asstes including fixed asstes
1 days	77.09	0.00	58.15	6.66
2 to 7 days	57.25	32.21	147.73	0.15
8 to 14 days	7.97	0.00	61.66	0.61
15 to 28 days	19.90	13.91	116.64	0.00
29 days to 3 months	32.53	209.01	458.36	0.54
3 to 6 months	37.17	75.72	252.56	0.72
6 to 12 months	26.63	331.19	482.65	11.93
1 to 3 years	69.53	127.68	718.17	15.54
3 to 5 years	4.08	110.95	322.14	2.57
Over 5 years	3.31	736.45	289.26	74.12
<b>Total</b>	<b>335.46</b>	<b>1637.12</b>	<b>2907.32</b>	<b>112.84</b>

As on 30-09-2011

₹ in Crores

Maturity bucket	Cash, balances with RBI and other banks	Investments	Advances	Other assets including fixed assets
1 days	24.75	5.20	40.60	3.94
2 to 7 days	4.75	4.52	45.62	0.20
8 to 14 days	9.37	9.99	64.59	0.64
15 to 28 days	11.61	9.98	40.51	0.22
29 days to 3 months	56.75	46.74	211.25	0.46
3 to 6 months	82.00	26.62	51.61	0.41
6 to 12 months	31.56	22.44	81.02	6.10
1 to 3 years	46.24	70.28	319.16	9.11
3 to 5 years	4.37	59.28	159.10	1.54
Over 5 years	1.53	278.76	200.34	31.81
<b>Total</b>	<b>272.93</b>	<b>533.81</b>	<b>1213.80</b>	<b>54.43</b>

(e) Non-Performing Assets (NPA) -

₹ in Crores

		30-09-2011	30-09-2010
(a)	Amount Of NPAs (gross)	34.23	29.66
	- Substandard	16.33	11.30
	- Doubtful 1	4.37	5.56
	- Doubtful 2	4.77	3.08
	- Doubtful 3	4.53	4.98
	- Loss	4.23	4.74
(b)	Net NPAs	17.38	12.88
(c)	NPA ratios		
	- Gross NPAs to gross advances	1.17%	2.41%
	- Net NPAs to Net advances	0.60%	1.06%
(d)	Movement of NPAs (Gross)		
	- Opening balance as on 1 <sup>st</sup> April	21.51	27.64
	- Additions	16.29	6.47
	- Reductions	3.57	4.45
	- Closing balance as on 30 <sup>th</sup> Sept.	34.23	29.66
(e)	Movement of provisions for NPAs		
	- Opening balance as on 1 <sup>st</sup> April	14.62	16.28
	- Provisions made during the period	3.19	3.18
	- Write-off	-	-
	- Write-back of excess provisions	0.96	2.68
	- Closing balance as on 30 <sup>th</sup> Sept.	16.85	16.78

## (f) NPI and movement of provision for depreciation of NPIs-

₹ in Crores

		30-09-2011	30-09-2010
(a)	Amount of Non-Performing Investments	2.29	2.29
(b)	Amount of provisions held for Non-performing Investments	2.29	2.29
(c)	Movement of provisions for depreciation on investments		
	- Opening balance as on 1 <sup>st</sup> April	0.30	1.37
	- Provisions made during the period	10.12	0.37
	- Write-off	-	-
	- Write-back of excess provisions	7.73	1.62
	- Closing balance as on 30 <sup>th</sup> Sept.	2.69	0.12

**V. CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH:**

For exposure amounts after risk mitigation subject to the standardised approach, amount of Bank's outstanding exposures (rated and unrated) in the following three major risk buckets as well as those that are deducted:

₹ in Crores

Particulars	30-09-2011	30-09-2010
- Below 100% risk weight	1969.47	1398.62
- 100% risk weight	2302.86	631.37
- More than 100% risk weight	44.00	33.23
- Deducted	Nil	Nil

**VI. CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES:**

₹ in Crores

S N	Particulars	30-09-2011	30-09-2010
1.	Total Exposure (on and off balance sheet) covered by eligible financial collateral after application of haircuts	256.79	145.24
2.	Total Exposure (on and off balance sheet) covered by guarantees / credit derivatives	NIL	NIL

**VII. SECURITISATION EXPOSURES: DISCLOSURE FOR STANDARDISED APPROACH:**

Banking Book-

₹ in Crores

SN	Particulars	30-09-2011	30-09-2010												
1.	Total amount of exposures securitised by the Bank	NIL	NIL												
2.	For exposures securitized, losses recognized by the Bank during the current period	NIL	NIL												
3.	Amount of assets intended to be securitised within a year	NIL	NIL												
4.	Of (3), amount of assets originated within a year before securitisation	NIL	NIL												
5.	Total amount of exposures securitised and unrecognized gain or losses on sale by exposure type	NIL	NIL												
6.	Aggregate amount of: - On balance sheet securitization exposures retained or purchased broken down by exposure type  - Off balance sheet securitization exposures	Securities (PTC) purchased with o/s ₹ 80.95 Cr., backed by pool of micro-finance Loans  NIL	NIL  NIL												
7.	Aggregate amount of: - Securitisation exposures retained or purchased and the associated capital charges, broken down between exposures & different risk weight bands.	<div>₹ in Crores</div> <table><tr><th>Risk weight</th><th>Exposures</th><th>Capital charges</th></tr><tr><td>Below 100%</td><td>10.42</td><td>0.18</td></tr><tr><td>100%</td><td>70.53</td><td>5.75</td></tr><tr><td>More than 100%</td><td>-</td><td>-</td></tr></table>	Risk weight	Exposures	Capital charges	Below 100%	10.42	0.18	100%	70.53	5.75	More than 100%	-	-	NIL
Risk weight	Exposures	Capital charges													
Below 100%	10.42	0.18													
100%	70.53	5.75													
More than 100%	-	-													
8.	Exposures that have been deducted entirely from Tier I capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type)	NIL	NIL												

SN	Particulars	30-09-2011	30-09-2010								
1.	Aggregate amount of exposures securitised by the Bank for which the Bank has retained some exposures and which is subject to market risk approach, by exposure type	NIL	NIL								
2.	Aggregate amount of: <ul style="list-style-type: none"><li>- On balance sheet securitization exposures retained or purchased broken down by exposure type</li><li>- Off balance sheet securitization exposures</li></ul>	Securities (PTC) purchased with market value ₹ 19.45 Cr., backed by pool of micro-finance loans.  NIL	NIL  NIL								
3.	Aggregate amount of securitization exposures retained or purchased separately for: <ul style="list-style-type: none"><li>- Securitisation exposures retained or purchased subject to Comprehensive Risk Measure for Specific risk</li><li>- Securitisation exposures subject to the securitisation framework for specific risk broken down into different risk weight bands</li></ul>	₹ 19.45 Crores  <div>₹ in Crores</div> <table><tr><th>Risk Weight</th><th>Exposure</th></tr><tr><td>Below 100%</td><td>19.45</td></tr><tr><td>100%</td><td>-</td></tr><tr><td>More than 100%</td><td>-</td></tr></table>	Risk Weight	Exposure	Below 100%	19.45	100%	-	More than 100%	-	NIL  NIL
Risk Weight	Exposure										
Below 100%	19.45										
100%	-										
More than 100%	-										
4.	Aggregate amount of: <ul style="list-style-type: none"><li>- Capital requirements for securitization exposures, subject to the securitization framework broken down into different risk weight bands</li><li>- Securitisation exposures that are deducted entirely from Tier I capital, credit enhancing I/Os deducted from total</li></ul>	<div>₹ in Crores</div> <table><tr><th>Risk Weight</th><th>Specific Risk Capital Charges</th></tr><tr><td>Below 100%</td><td>0.88</td></tr><tr><td>100%</td><td>-</td></tr><tr><td>More than 100%</td><td>-</td></tr></table>  NIL	Risk Weight	Specific Risk Capital Charges	Below 100%	0.88	100%	-	More than 100%	-	NIL  NIL
Risk Weight	Specific Risk Capital Charges										
Below 100%	0.88										
100%	-										
More than 100%	-										



	capital, and other exposures deducted from total capital (by exposure type)		
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## VIII. MARKET RISK IN TRADING BOOK:

### Capital requirement for:

₹ in Crores

Particulars	30-09-2011	30-09-2010
Interest Rate Risk	29.36	1.87
Equity Position Risk	1.12	0.91
Foreign Exchange Risk	2.03	-

## IX. OPERATIONAL RISK

### Quantitative Disclosures – Not Applicable

## X. INTEREST RATE RISK IN THE BANKING BOOK (IRRBB):

Increase (decline) in earning and economic value (or relevant measure used by management) for upward and downward rate shock according to management's method for measuring IRRBB.

### Earning Prespective-

₹ in Crores

Interest rate shock	30-09-2011	30-09-2010
1% change in interest rate for 1 year	1.36	2.12

### Economic Value Perspective –

Interest rate shock	30-09-2011	30-09-2010
200 basis point shock	39.60	25.36