

BASEL-II DISCLOSURES

(as on 31st March 2008)

In terms of RBI guidelines, the Bank was required to move to Basel-II framework by 31.03.2009. However, in order to support the requirement of State Bank of India to make Basel-II Disclosures at a consolidated level (the Bank being a subsidiary of SBI), the Bank has migrated to Basel-II framework as on 31.03.2008.

Capital Management

Capital management aims to ensure that there is sufficient capital to meet the requirements of the Bank as determined by the underlying business strategy. Further, it also seeks to ensure that sufficient cushion is available to absorb unexpected shocks that could arise out of adverse market conditions and external factors.

The Bank aims to maintain CAR at above 10% against the regulatory minimum level of 9% (with Tier-I capital at a minimum of 6.25%). Excess capital above the regulatory minimum is for supporting anticipated future business growth and to serve as a buffer for any unexpected shocks thereby ensuring that the Bank's CAR does not fall below the regulatory minimum level even in adverse conditions.

Risk Management

The risk management processes and practices employed by the Bank have been developed in the wider context of the relationships between risk, capital and earnings.

The strategic objectives set by the Board determine the Bank's risk appetite, which is an important input for its capital planning and performance management. Risk appetite is the maximum risk the Bank is willing to accept in executing its business strategy while staying protected against events that may have an adverse impact on its profitability and capital base. Risks are being managed by using limits or checkpoints set across all dimensions of capital, earnings volatility and concentration risk. These limits are determined by a well-defined maximum risk appetite.

By adopting an integrated risk management approach, the Bank seeks to improve its methods for identifying and quantifying risks, to develop a more effective risk management system, to achieve a stable balance between earnings and risk, to eliminate concentrations of specific risks, to create an appropriate capital structure, to achieve optimal allocation of resources, and to sustain high asset quality. This contributes to the strengthening of the financial health of the Bank and maximizing of shareholder value.

The Bank broadly classifies and defines risk types as under:

Credit Risk	The risk of financial loss in credit assets (including off-balance sheet instruments) caused by deterioration in the credit conditions of counterparties.
Market Risk	The risk of financial loss where the value of assets and liabilities could be adversely affected by changes in market variables such as interest rates, securities prices, commodity prices and foreign exchange rates.
Liquidity Risk	The risk to earnings and capital arising from a bank's potential inability to meet its liabilities when they become due without incurring unacceptable losses.
Operational Risk	The risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events.
Interest Rate Risk in Banking Book	The risk that the value of bank's financial assets may decrease and/or the value of the bank's liabilities may increase because of changes in interest rates. Interest Rate Risk arises primarily from the maturity mismatch of assets and liabilities. The overall objective is to manage current and future earnings sensitivity to interest rate risk exposure.

The Bank has the following risk management committees in place for its overall risk management: Risk Management Committee of the Board, Credit Risk Management Committee, Market Risk Management Committee and Operational Risk Management Committee. Besides these committees, the Bank's Assets-Liabilities Management Committee (ALCO) and Balance Sheet Management Group monitor the build-up of assets and liabilities across maturities for liquidity tracking and assessing rate sensitivity on an ongoing basis.

The various risk management committees discuss and dynamically manage the different types of risks both from qualitative and quantitative perspectives. The Board of Directors lays down the Bank's risk management policies for various types of risk based on the discussions held by these committees.

In terms of RBI guidelines on Basel-II framework, the Bank has adopted the Standardised Approach for Credit Risk, Standardised Duration Approach for Market Risk and Basic Indicator Approach for Operational Risk. In addition to regulatory capital requirement of computation as per Pillar-I, the Bank also assesses Liquidity Risk and Interest Rate Risk, and carries out stress tests on a regular basis to assess adequacy of the capital available as a cushion to withstand shocks from market forces and external factors.

Qualitative and quantitative disclosures in terms of RBI guidelines and our Disclosure Policy are appended in the Disclosure Tables (DT) 1 to 10.

DT-1 SCOPE OF APPLICATION

Basel-II framework is applicable to the Bank at solo level. It has no subsidiary. However, investment in MGB Gramin Bank Pali (in which Bank has 35% equity stake) has been deducted from Tier-I and Tier-II capital -50% each.

DT-2 CAPITAL STRUCTURE:

Qualitative Disclosures:

(a) Summary:

Type of Capital	Features
Equity (Tier-I)	Shares issued to SBI (75%) Public (25%)
Innovative Instruments (Tier-I)	Innovative Perpetual Debt Bonds: Unsecured, non-convertible, subordinated, perpetual Bonds in the nature of Promissory Notes. Call option and step-up coupon available after 10 years (subject to RBI approval at the time).
Tier-II	Subordinated Debt Instruments i.e. Upper Tier-II and Lower Tier-II bonds issued by the Bank are unsecured, redeemable, non-convertible bonds. Call option available for Upper Tier-II bonds after 10 years (subject to RBI approval at the time) Period : ranges from 111 months to 180 months

Details of Tier-I and Tier-II debt issues given in Appendix I.

Quantitative Disclosures:

	(Rs. in Crores)
(b) Tier-I Capital	: 1878.28
• Paid-up Share Capital	: 50.00
• Reserves	: 1663.21
• Innovative Instruments	: 200.00
• Other Capital Instrument	: 0.00
• Amount deducted from Tier-I Capital (i.e. Deferred Tax Asset & Investment in RRB)	: 34.93
(c) Total Eligible Tier -2 Capital [refer (d), (e) and (ei) below]	: 1508.01
(d) Debt Capital Instruments eligible for inclusion in Upper Tier-2 capital:	
• Total amount outstanding	: 450.00
• Of which raised during Current year	: 300.00
• Amount eligible for being reckoned as Capital	: 450.00
(e) Subordinated Debt eligible for inclusion in Lower Tier-2 Capital:	
• Total amount outstanding	: 1000.00
• Of which amount raised during current year :	: 0.00
• Amount eligible for being reckoned as Capital	: 939.14
(ei) General Provision and loss reserves:	: 118.87
(f) Other Deductions from Capital, if any	: 6.89
(g) Total Eligible Capital (net of deductions from Tier I & Tier II Capital) [Total of (b) & (c) minus (f)]	: 3379.40

DT-3 CAPITAL ADEQUACY

Qualitative Disclosures:

- Bank has a Board-approved ICAAP Policy
- Capital requirement for current business levels and estimated future business has been assessed as per ICAAP
- CAR has been worked out based on Basel-I and Basel-II guidelines. CAR is estimated to be above the regulatory minimum level of 9%

Quantitative Disclosures:

(Rs. in Crores)

(b) Capital requirements for credit risk:		
• Portfolios subject to standardised approach	:	2131.99
(c) Capital requirements for market risk:		
• Standardised duration approach	:	97.74
(d) Capital requirements for operational risk:		
• Basic indicator approach	:	201.95
<u>Total Capital Requirement at regulatory minimum level of 9%</u>	:	2431.68

(e) Total and Tier I capital adequacy ratio	:	Total CAR: 12.51%
	:	:CAR (Tier-I) : 6.95 %

DT-4 CREDIT RISK: GENERAL DISCLOSURES: (INCLUDING EQUITIES):

Qualitative Disclosures:

(a) General Qualitative Disclosures

I. Definitions of “Past Due” and “Impaired Assets”: Bank is following extant RBI definitions of these categories. (The definitions used are given in Appendix-II).

II. Credit Risk Management:

- Risk Governance Structure in place (organization chart as per Appendix-VI).
- Credit Risk Management Committee and Risk Management Committee of the Board are the principal committees that review credit risk management
- Following Board-approved policies with regard to credit risk are in place:
 - Credit Risk Management and Loan Policy
 - Credit Risk Mitigation & Collateral Management Policy
 - Stress Testing Policy
- Bank’s policies take into account the need for better credit risk management and avoidance of risk concentration
- Policies are reviewed periodically.
- Exposure limits for Single Borrower, Group Entities, different categories of borrowers, specific industry /sector, etc. have been stipulated.
- Specific norms and guidelines for appraisal and sanction, documentation, inspection and monitoring, renewal, maintenance, rehabilitation and management of assets have been stipulated in the Credit Risk Management and Loan Policy, with provision of adequate leg room for innovation and deviation permissible under a proper authority structure.
- Stress test on advances is carried out at quarterly intervals and placed before the CRMC and RMCB for review.

Quantitative Disclosures:

b) Total Gross Credit Exposures (Fund-Based and Non-Fund based separately), **without** taking into account the effect of Credit Risk Mitigation techniques, e.g. Collaterals and Netting
(Rs. in Crores)

EXPOSURE		AMOUNT	TOTAL
FUND-BASED	LOANS & ADVANCES	25329.97	30870.90
	OTHERS (other assets include claims on Govt./RBI, balances with banks, call lendings, inter-office balances, premises, FEF etc)	5540.93	
NON-FUND-BASED	LCs, BGs. \$	2953.08	19650.39
	FORWARD CONTRACTS, etc.\$	13224.63	
	OTHERS (includes un-utilised limit, underwriting & standby commitments, claims against bank not acknowledged as debts and income tax demand)	3472.68	
INVESTMENTS (Banking Book only)		7291.23	7291.23
GRAND TOTAL OF CREDIT RISK EXPOSURE			57812.52

\$ Gross exposure without applying credit conversion factor.

c) Geographic Distribution of Credit Risk Exposure:

- DOMESTIC : Rs. 57812.52 crore.
- OVERSEAS : Rs. 0.00

d) Industry-wise Distribution of Exposures (Fund-based and Non-Fund-based):

As per Appendix-III (a) and (b)

(e) Residual Contractual Maturity Breakdown of Assets & Interest Rate Sensitivity

As per Appendix-IV (a), (b), (c) and (d)

(Rs. in Crores)

(f) Amount of Gross NPAs	437.31
• Substandard	135.37
• Doubtful- 1	157.37
• Doubtful-2	77.93
• Doubtful-3	44.04
• Loss	22.60
(g) Net NPAs	209.09
(h) NPA Ratios	
Gross NPA to Gross Advances	1.73%
Net NPA to Net Advances	0.83%
(i) Movement of Gross NPAs	
Opening balance (as on 01.04.2007)	463.03
Additions	291.99
Reductions	317.71
Closing balance (as on 31.03.2008)	437.31
(j) Movement of NPA Provisions:	
Opening balance (01.04.2007)	239.28
Provisions made during the period	117.42
Write-offs/ adjustments during the period	128.48
Write-back of excess provisions during the period	0.00
Closing balance (31.03.2008)	228.22

(k) Amount of Non-Performing Investments (gross) Banking Book	0.00
(l) Amount of Provisions held for Non- Performing Investments (Banking Book)	0.00
(m) Movement of Provision for Depreciation on Investments - Banking Book	
Opening Balance (01.04.2007)	5.80
Provisions made during the period	1.72
Write offs	0.00
Write-back of excess provisions	5.80
Closing Balance (31.03.2008)	1.72

DT-5 CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO STANDARDISED APPROACH:

Qualitative Disclosures:

5(a)	Qualitative Disclosures	Remarks
I	Names of credit rating agencies used	Domestic Credit Rating Agencies: CRISIL, ICRA, CARE and FITCH India International Rating Agencies (IRA): FITCH, Moody's and S& P
II.	Changes, if any, since prior period disclosures in the identified rating agencies and reasons for the same	No change
III	Types of exposures for which each agency has been used/ to be used	Ratings done by the identified rating agency are to be used for various types of exposures as follows: (i) For exposures with a contractual maturity of less than or equal to one year (except Cash Credit, Overdraft and other Revolving Credits), Short-term Ratings will be applicable. (ii) For domestic Cash Credit, Overdraft and other Revolving Credits (irrespective of the period) and for Long Term exposures of over 1 year, Long Term Ratings will be applicable. (iii) For overseas exposures, irrespective of the contractual maturity, Long Term Ratings given by IRAs will be applicable. (iv) Rating assigned to one particular entity within a corporate group cannot be used to risk weight other entities within the same group.
IV	Description of the process used to transfer public issue ratings onto comparable assets in the banking book	Long-term issue-specific (our own exposures or other issuance of debt by the same borrower-constituents/counter-party) ratings or issuer (borrower-constituents/ counter-party) ratings can be applied to other unrated exposures of the same borrower-constituents/ counter-party in the following cases: (i) If the issue-specific rating or issuer rating maps to a risk weight equal to or higher than the unrated exposures any other un-rated exposure on the same counter-party will be assigned the same risk weight, if the exposure ranks pari-passu or junior to the rated exposure in all respects.

		(ii) In cases where the borrower-constituent/ counter-party has issued a debt (which is not a borrowing from our Bank), the rating given to that debt may be applied to Bank's unrated exposures if the Bank's exposure ranks pari-passu or senior to the specific rated debt in all respects and the maturity of Bank's unrated exposures is not later than maturity of rated debt.
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Quantitative Disclosures:

For exposure amounts {as defined for Disclosure in item (b) of Table-DT-4}, after Risk Mitigation subject to Standardised approach, amount of outstanding (rated and unrated together) in the following three risk-buckets as well as those that are deducted, if any:

(Rs. in Crore)

- Below 100 % Risk Weight : Rs. 36231.97
- @100% Risk Weight: Rs. 17982.48
- More than 100% Risk weight: Rs. 2406.89
- Amount Deducted, if any: Rs. 1191.18

(Credit Risk mitigation including from staff)

DT-6 CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACH:

Qualitative Disclosures:

I Policy for collateral valuation and management (i.e. Credit Risk Mitigation and Collateral Management) is in place

II Main types of credit risk management techniques:

S.No.	Qualitative Disclosures	Remarks
i)	Eligible financial collaterals	(i) Cash (as well as certificates of deposit or comparable instruments, including fixed deposit receipts, issued by the lending bank) on deposit with the Bank
		(ii) Gold including both bullion and jewellery. However, the value of the collateralized jewellery is arrived at after notionally converting these to 99.99 % purity.
		(iii) Securities issued by Central and State Governments.
		(iv) Kisan Vikas Patra and National Savings Certificates for which no lock-in-period is operational and where they can be encashed within the holding period.
		(v) Life insurance policies with a declared surrender value of an insurance company which is regulated by an insurance sector regulator.
		(vi) Debt securities rated by a recognized Credit Rating Agency in respect of which the Bank is sufficiently confident about the market liquidity, where these are rated <ul style="list-style-type: none"> a) at least BBB(-) when issued by public sector entities and by other entities (including banks and Primary Dealers); or b) at least PR3/P3/F3/A3 for short-term debt instruments.

		<p>(vii) Debt securities not rated by a recognized Credit Rating Agency where these are:</p> <ol style="list-style-type: none"> issued by a bank listed on a recognized exchange classified as senior debt all rated issues of the issuing bank of the same seniority are rated at least BBB(-) or PR3/ P3 / F3 / A3 by a chosen Credit Rating Agency there is no information available that suggests that the issue justifies a rating below BBB(-) or PR3/ P3 / F3 / A3 (as applicable) Bank is sufficiently confident about the market liquidity of the security.
		<p>(viii) Units of Mutual Funds regulated by the securities regulator in the jurisdiction of the Bank's operation, where:</p> <ul style="list-style-type: none"> a price for the units is publicly quoted daily i.e., where the daily NAV is available in public domain; and the mutual fund is limited to investing in the instruments listed in this paragraph, para II (i).
ii)	On-balance sheet netting	<p>where the Bank</p> <ol style="list-style-type: none"> has a well-founded legal basis for concluding that the netting or offsetting agreement is enforceable in each relevant jurisdiction regardless of whether the counter-party is insolvent or bankrupt; is able at any time to determine the loans/advances and deposits with the same counter-party that are subject to the netting agreement; and monitors and controls the relevant exposures on a net basis,
iii)	Guarantees	Where guarantees are direct, explicit, irrevocable and unconditional and satisfy the operational requirements detailed in the RBI guidelines

III Main types of guarantor counter-party and their creditworthiness:

Range of eligible guarantors (counter-guarantors):

i) Sovereigns, sovereign entities (including BIS, IMF, European Central Bank and European Community as well as MDBs referred to in RBI guidelines, ECGC and CGTSI), banks and primary dealers with a lower risk weight than the counter-party;

(ii) Other entities rated AA(-) or better. These include guarantee cover provided by parent, subsidiary and affiliate companies that have a lower risk weight than the obligor. The rating of the guarantor should be an entity rating which has factored in all the liabilities and commitments (including guarantees) of the entities.

IV Information about (credit or market) risk concentration within the mitigation taken:

As per Appendix V

Quantitative Disclosures:

For the disclosed Credit Risk portfolio under the standardized approach, the total exposure that is covered by:

- Eligible Financial Collateral after haircuts (excl. Staff loans): Rs. 1146.42 crores

DT-7 SECURITISATION: DISCLOSURE FOR STANDARDISED APPROACH

Qualitative Disclosures

- Bank's objective in relation to Securitisation activity is to achieve improvements in leverage ratios, asset performance & quality and to achieve desirable investment & maturity characteristics.
- Loss on sale on transfer of assets to Special Purpose Vehicle (SPV) shall be recognized upfront by the Bank.
- Bank shall amortize the profit on sale of the securitised assets over the life of the assets issued or to be issued by SPV.
- Bank has a Board approved Securitisation Policy in respect of Securitisation activity. However, no Securitisation (origination) has been done during the year.

Quantitative Disclosures:

Bank has not originated any securitisation transaction.

DT-8 MARKET RISK IN TRADING BOOK

Qualitative Disclosures:

- Market Risk Management Policy is in place
- Trading Policy with risk monitoring & mitigation measures is in place
- The Market Risk Management Committee of the Bank monitors and manages market risks
- No Derivatives have been entered into for AFS securities or Trading
- Risk management and reporting is based on parameters such as Modified Duration, PVO1, Exposure and Gap Limits, VaR, etc.,
- Risk Profiles are analysed and mitigating strategies / hedging processes are suggested by the Mid-Office. Their effectiveness is monitored on an on-going basis
- Forex Open Position limits (Daylight / Overnight), deal-wise cut-loss limits stop-loss limit, Profit / Loss in respect of cross currency trading are properly monitored and exception reporting is regularly carried out.

Quantitative Disclosures:

Capital Requirement for Market Risk under Standardised Duration Approach (@ 9%):

	(Rs. in Crores)
• Interest Rate Risk	: 57.51
• Equity Position Risk	: 39.33
• Forex Risk	: 0.90
TOTAL	: 97.74

DT-9 OPERATIONAL RISK

Qualitative Disclosures:

- Operational Risk Management Policy is in place
- Operational Risk Management Committee has been constituted
- The rolling out of the Risk Control and Self Assessment (RCSA) exercise for identifying and mitigating operational risks has been initiated at the Bank's branches and Zonal Offices.
- A web-based application has been developed and rolled out for automatic collation of responses in different RCSA workshops to facilitate generation of Zone-wise, Business Segment-wise and Whole-Bank-level heat-maps.
- Disaster Recovery Policy & Business Continuity Plan have been put in place

Quantitative Disclosures:

Capital Charge on Operational Risk
(As per regulatory capital requirement)

: Rs. 201.95 crores

DT-10 INTEREST RATE RISK IN BANKING BOOK (IRRBB)

Qualitative Disclosures:

- Earning at Risk (EaR) is measured as per ALM guidelines of RBI using Traditional Gap Analysis method.
- Impact of change in Interest Rates on Market Value of Equity (MVE) is measured using Duration Gap Analysis method, taking whole Balance Sheet, as per RBI guidelines.
- MVE is also measured using Duration Gap Analysis method, taking only Banking Book exposures into account as per RBI guidelines on Supervisory Review Process (Pillar-II of Basel-II framework).
- Key Assumptions used based on behavioural studies:
 - a) Saving Bank deposits: 25% of such deposits treated as non-interest bearing
 - b) Term deposits: 4% of such deposits prepaid due to embedded option
 - c) Current deposits: taken as rate sensitive for IRR purpose as per RBI guidelines
 - d) Term Loans: prepayment @ 0.08% of total term loans.

Quantitative Disclosures:

(i) Change in NII:

At the present level of our assets / liabilities, NII is likely to increase / decrease by Rs. 75.80 cr., if there is a upward / downward movement in interest rate by 1% (assuming parallel interest rate change on both assets and liabilities except Savings Bank rate that will remain constant at 3.5%).

(ii) Change in MVE:

- e) Taking the whole Balance Sheet into account, Market Value of Equity (MVE) will increase / decrease by Rs. 60.59 cr. if there is an upward / downward movement in interest rate by 1%.
- f) Taking only Banking Book exposures into account, Market Value of Equity (MVE) will increase / decrease by Rs. 157.07 cr. if there is an upward / downward movement in interest rate by 1%.

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Table 2 (a)

Summary information on the terms and conditions of the main features of all capital instruments, including innovative, complex or hybrid **capital instruments** eligible for inclusion in Tier-I or Tier-II capital :

Type of Capital	Main features
Lower Tier-II Subordinated Bonds (Third Series) 21.02.2005	Type of instrument : Unsecured, redeemable, non-convertible subordinated bonds in the nature of Promissory Note. These are plain vanilla bonds with no special features like put or call option. <u>Other details:</u> Amount : Rs. 200 cr Tenure : 111 months Coupon : 7.20% (fixed, payable annually) Rating : ‘AAA’ by CRISIL
Lower Tier-II Subordinated Bonds (Fourth Series) 17.11.2005	Type of instrument : Unsecured, redeemable, non-convertible subordinated bonds in the nature of Promissory Note. These are plain vanilla bonds with no special features like put or call option. <u>Other details:</u> Amount : Rs. 300 cr Tenure : 111 months Coupon : 7.45% (fixed, payable annually) Rating : ‘AAA’ by CRISIL and ‘LAAA’ by ICRA
Lower Tier-II Subordinated Bonds (Fifth Series) 10.08.2006	Type of instrument : Unsecured, redeemable, non-convertible subordinated bonds in the nature of Promissory Note. These are plain vanilla bonds with no special features like put or call option. <u>Other details:</u> Amount : Rs. 500 cr Tenure : 120 months Coupon : 9.15% (fixed, payable annually) Rating : AAA/Stable (CRISIL) LAAA (Stable) (ICRA)
Upper Tier-II Subordinated Bonds 22.03.2007	Type of Instrument : Unsecured, redeemable, non-convertible Subordinated Upper Tier-II Bonds in the nature of Promissory Notes. Call option is available after 120 months(subject to RBI permission at the time). Other details: Amount : Rs. 150 cr Tenor : 180 months Coupon : 10.25% (fixed, payable annually) Rating : CARE ‘AAA’ and CRISIL ‘AAA/Stable’
Upper Tier-II Subordinated Bonds 15.10.2007	Type of Instrument : Unsecured, redeemable, non-convertible Subordinated Upper Tier-II Bonds in the nature of Promissory Notes. Call option is available after 120 months(subject to RBI permission at the time). Other details: Amount : Rs. 300 cr Tenor : 180 months Coupon : 9.78% (fixed, payable annually) Rating : ICRA ‘LAAA’ and CRISIL ‘AAA/Stable’
Innovative Perpetual Debt Instruments 20.03.2008	Unsecured, non-convertible, subordinated, Perpetual Bonds in the nature of Promissory Notes. Call option and step-up coupon available after 10 years (subject to RBI permission at the time). Other details: Amount: Rs. 200 cr. Tenor : Perpetual (call option available after 10 years with permission of RBI). Coupon: 9.85% payable annually. Ratings: AAA by CARE and AAA-Stable by CRISIL.

Table 4(a)

DEFINITIONS OF PAST DUE, IMPAIRED ASSETS AND CREDIT RISK

2.1 Non-performing assets

2.1.1 An asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank.

2.1.2 A Non-Performing Asset (NPA) is a loan or an advance where :

- i) Interest and/or installments of principal remain overdue for a period of more than 90 days in respect of a Term Loan,
- ii) The account remains 'out of order' as indicated at paragraph 2.2 below, in respect of an Overdraft/Cash Credit (OD/CC),
- iii) The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,
- iv) The installment of principal or interest thereon remains overdue for two crop seasons for short duration crops,
- v) The installment of principal or interest thereon remains overdue for one crop seasons for long duration crops,

2.1.3 In case the interest charged during any quarter is not serviced fully within 90 days from the end of the quarter the account is classified as NPA

2.2 'Out of Order' status

An account is treated as '**out of order**' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power. In cases where the outstanding balance in the principal operating account is less than the drawing power, but either there are no credits continuously for 90 days in the account or the credits are not enough to cover the interest debited during the same period, these accounts are also treated as '**out of order**'.

2.3 'Overdue'

Any amount due to the bank under any credit facility is '**overdue**' if it is not paid on the due date fixed by the bank.

Table 4 (d)

INDUSTRY TYPE DISTRIBUTION OF EXPOSURES – FUND BASED				
AS ON MARCH 2008				
CODE	INDUSTRY	TOTAL CREDIT O/S	NPA	(Rs. in crores) STANDARD
1	Coal	18.52	0.19	18.33
2	Mining	420.54	1.51	419.03
3	Iron & Steel	1468.51	38.71	1429.80
4	Metal Products	330.57	4.64	325.93
5	All Engineering	909.63	2.42	907.21
5.1	Of which (005) Electronics	32.77	0.49	32.28
6	Electricity	384.84	40.07	344.77
7	Cotton Textiles	1214.66	10.36	1204.30
8	Jute Textiles	12.87	0.55	12.32
9	Other Textiles	1236.31	12.93	1223.38
10	Sugar	70.82	0.02	70.80
11	Tea	11.21	0.36	10.85
12	Food Processing	192.72	4.53	188.19
13	Vegetable Oils & Vanaspati	287.66	0.26	287.40
14	Tobacco / Tobacco Products	13.65	0.01	13.64
15	Paper / Paper Products	224.24	1.71	222.53
16	Rubber / Rubber Products	270.05	3.07	266.98
17	Chemicals / Dyes / Paints etc.	572.04	27.22	544.82
17.1	Of which Fertilisers	255.08	19.18	235.90
17.2	Of which Petrochemicals	16.57	0.00	16.57
17.3	Of which Drugs & Pharmaceuticals	110.13	6.62	103.51
18	Cement	182.97	1.91	181.06
19	Leather & Leather Products	56.48	4.14	52.34
20	Gems & Jewellery	747.31	7.07	740.24
21	Construction	112.88	1.45	111.43
22	Petroleum	830.04	0.24	829.80
23	Automobiles & Trucks	103.98	7.79	96.19
24	Computer Software	24.15	0.11	24.04
25	Infrastructure	1279.19	0.33	1278.86
25.1	Of which power	348.74	0.24	348.50
25.2	Of which Telecommunications	337.24	0.01	337.23
25.3	Of which Roads & Ports	347.23	0.04	347.19
26	Other Industries	602.89	20.80	582.09
27	NBFCs	1240.19	0.00	1240.19
28	Residual Advances	12511.05	244.91	12266.14
	Total	25329.97	437.31	24892.66

Table 4 (d)**APPENDIX-III (b)**

INDUSTRY TYPE DISTRIBUTION OF EXPOSURES – NON-FUND BASED				
AS ON 31-MARCH 2008		(Rs. in crores)		
CODE	INDUSTRY	TOTAL	NPA	STANDARD
1	Coal	5.21	0.00	5.21
2	Mining	34.86	0.00	34.86
3	Iron & Steel	314.09	0.00	314.09
4	Metal Products	181.43	0.00	181.43
5	All Engineering	743.38	0.00	743.38
5.1	Of which (005) Electronics	57.41	0.00	57.41
6	Electricity	161.26	0.00	161.26
7	Cotton Textiles	34.15	0.10	34.05
8	Jute Textiles	0.17	0.00	0.17
9	Other Textiles	51.85	0.00	51.85
10	Sugar	0.00	0.00	0.00
11	Tea	0.00	0.00	0.00
12	Food Processing	10.98	0.00	10.98
13	Vegetable Oils & Vanaspati	144.5	0.00	144.50
14	Tobacco / Tobacco Products	2.37	0.00	2.37
15	Paper / Paper Products	19.85	0.00	19.85
16	Rubber / Rubber Products	48.53	0.00	48.53
17	Chemicals / Dyes / Paints etc.	160.25	5.87	154.38
17.1	Of which Fertilisers	7.96	5.87	2.09
17.2	Of which Petrochemicals	0.00	0.00	0.00
17.3	Of which Drugs & Pharmaceuticals	41.66	0.00	41.66
18	Cement	29.11	0.00	29.11
19	Leather & Leather Products	2.92	0.00	2.92
20	Gems & Jewellery	13.93	0.00	13.93
21	Construction	19.24	0.00	19.24
22	Petroleum	18.81	0.00	18.81
23	Automobiles & Trucks	9.12	0.00	9.12
24	Computer Software	2.38	0.00	2.38
25	Infrastructure	200.45	0.00	200.45
25.1	Of which Power	89.09	0.00	89.09
25.2	Of which Telecommunication	15.05	0.00	15.05
25.3	Of which Roads & Ports	49.67	0.00	49.67
26	Other Industries	248.42	0.00	248.42
27	NBFCs	39.28	0.00	39.28
28	Residual Advances	456.54	0.00	456.54
	Total	2953.08	5.97	2947.11

Appendix – IV (a)

Table 4 (e) : STATEMENT OF STRUCTURAL LIQUIDITY

(Rs. in crores)

STATEMENT OF STRUCTURAL LIQUIDITY AS ON 31.03.2008	RESIDUAL MATURITY										
	Day 1	2-7 Days	8-14 DAYS	15-28 DAYS	29D-3MTHS.	>3-6 MTHS.	>6-12 MTHS.	>1-3 YEARS	>3-5 YEARS	> 5 YEARS	TOTAL
OUTFLOWS											
1.CAPITAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00	50.00
2.RESERVES AND SURPULS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1663.21	1663.21
3.DEPOSITS	55.88	742.19	434.68	684.43	2237.00	956.42	7823.28	5051.95	4082.28	11928.54	33996.65
(I) CURRENT DEPOSITS	24.60	147.62	172.24	0.00	0.00	0.00	0.00	1033.37	1033.37	1033.37	3444.57
(II) SAVINGS BANK DEPOSITS	30.61	183.67	214.29	0.00	0.00	0.00	0.00	2571.43	2571.43	2999.99	8571.42
(III) TERM DEPOSITS	0.67	71.25	48.15	684.43	1259.94	467.77	4895.98	1447.15	477.48	7895.18	17248.00
(IV) CERTIFICATE OF DEPOSITS	0.00	339.65	0.00	0.00	977.06	488.65	2927.30	0.00	0.00	0.00	4732.66
4. BORROWINGS	0.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00	400.00
(I) CALL AND SHORT NOTICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(II) INTER-BANK(TERM)	0.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00	400.00
(III) REFINANCES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(IV) OTHERS (SPECIFY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.OTHER LIABILITIES AND PROV.	30.52	548.48	39.93	55.86	96.61	4.88	378.95	1069.86	14.70	1761.22	4001.01
(I) BILLS PAYABLE	3.71	22.24	25.93	51.88	0.00	0.00	0.00	933.89	0.00	0.00	1037.65
(II) INTER-OFFICE ADJUSTMENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(III) PROVISIONS	2.63	1.50	2.12	3.98	26.64	4.88	131.57	74.41	13.23	81.64	342.60
(IV) OTHERS	24.18	524.74	11.88	0.00	69.97	0.00	247.38	61.56	1.47	1679.58	2620.76
6.LINES OF CREDIT COMMITTED TO	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(I) INSTITUTIONS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(II) CUSTOMERS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7. UNAVAILED PORTION OF CASH CREDIT/OD/DL COMPONENT OF WC	1.60	9.59	11.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.38
8(A) LETTERS OF CREDIT	0.69	4.12	4.80	9.61	9.61	19.21	0.00	0.00	0.00	0.00	48.04
8(B) BANK GUARANTEES	0.05	0.27	0.31	0.63	0.63	0.63	0.65	0.00	0.00	0.00	3.17
9.REPOS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10.BILLS REDISCOUNTED(DUPN)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11. SWAPS(BUY/SELL)/ MATURING FORWARDS	13.19	501.50	86.71	182.75	1838.86	1874.04	2125.78	40.87	0.00	0.00	6663.70
12.INTEREST PAYABLE	0.53	7.09	4.15	6.54	21.37	9.14	74.74	48.27	39.00	113.98	324.81
13. OTHERS(SPECIFY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. TOTAL OUTFLOWS	102.46	1813.24	581.77	1339.82	4204.08	2864.32	10403.40	6210.95	4135.98	15516.95	47172.97
B. Cumulative out flows	102.46	1915.70	2497.47	3837.29	8041.37	10905.69	21309.09	27520.04	31656.02	47172.97	

Appendix – IV (b)

Table 4 (e) STATEMENT OF STRUCTURAL LIQUIDITY

(Rs. in crores)

STATEMENT OF STRUCTURAL LIQUIDITY AS ON 31.03.2008	RESIDUAL MATURITY										
	Day 1	2-7 Days	8-14 DAYS	15-28 DAYS	29D- 3MTHS.	>3-6 MTHS.	>6-12 MTHS.	>1-3 YEARS	>3-5 YEARS	> 5 YEARS	TOTAL
INFLOWS											
1 CASH	81.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	81.32
2. BALANCES WITH RBI	1110.90	59.39	34.78	54.77	179.01	76.54	626.05	404.28	326.68	954.57	3826.97
3. BALANCES WITH OTHER BANKS	56.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	56.69
(i) CURRENT ACCOUNT	56.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	56.69
(ii) MONEY AT CALL AND SHORT/TERM/PLACEMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. INVESTMENTS (INCLUDING REPOS but excluding reverse repo)	102.00	35.26	24.53	109.66	662.30	923.99	331.91	2401.71	1482.80	4491.92	10566.08
5. ADVANCES (PERFORMING)	451.35	258.45	365.62	683.68	1365.47	839.61	2280.24	12794.69	2274.69	3102.71	24416.51
(i) BILLS PURCHASED AND DISCTD	384.69	24.05	16.48	95.78	250.01	30.49	1.52	0.06	0.00	0.22	803.30
(ii) CASH CREDITS, OVERDRAFTS, DEMAND LOAN	29.59	177.52	207.11	414.22	0.00	0.00	0.00	9526.95	0.00	0.00	10355.39
(iii) TERM LOANS	36.31	52.33	136.73	173.68	1115.46	809.12	2278.72	3267.68	2274.69	3102.49	13247.21
(iv) Prepayment of Term Loans	0.76	4.55	5.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.61
6. NPAs (ADVANCES)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	121.84	87.25	209.09
7. FIXED ASSETS/ asset on lease	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	160.77	160.77
8. OTHER ASSETS	126.40	262.89	0.22	31.92	19.89	0.00	2.02	9.86	2.11	39.38	494.69
(i) INTER OFFICE ADJ.(IBIT,clearing a/c,ATM)	0.00	158.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	158.93
(ii) OTHERS (Suspence A/c, Br. Sys. Susp. etc)	126.40	103.96	0.22	31.92	19.89	0.00	2.02	9.86	2.11	39.38	335.76
9. REVERSE REPOS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10. SWAPS (SELL/BUY) Maturing Forwards	0.00	632.49	50.10	107.65	1979.58	1968.00	2125.49	57.09	0.00	0.00	6920.40
11. BILLS REDISCOUNTED	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12. INTEREST RECEIVABLE	0.00	0.00	0.35	0.86	153.21	234.85	8.13	0.00	0.00	0.00	397.40
13. COMMITTED LINES OF CREDIT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14(A) OTHERS (Devolvable LCs)	0.00	0.00	0.00	9.61	9.61	9.61	19.21	0.00	0.00	0.00	48.04
14(B) OTHERS (Invocable BGs)	0.00	0.00	0.00	0.63	0.63	0.63	0.63	0.65	0.00	0.00	3.17
15. Export Refinance Limit	193.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	193.57
C. TOTAL INFLOWS	2122.23	1248.48	475.60	998.78	4369.70	4053.23	5393.68	15668.28	4208.12	8836.60	47374.70
C. MISMATCH (C-A)	2019.77	-564.76	-106.17	-341.04	165.62	1188.91	-5009.72	9457.33	72.14	-6680.35	
D. CUMULATIVE MISMATCH	2019.77	1455.01	1348.84	1007.8	1173.42	2362.33	-2647.39	6809.94	6882.08	201.73	
E. D AS % TO A	1971%	-31%	-18%	-25%	4%	42%	-48%	152%	2%	-43%	
F. E AS % TO CUMULATIVE OUTFLOWS	1971%	76%	54%	26%	15%	22%	-12%	25%	22%	0%	
Prudential Level for mismatch	-	-	-	-	-50%	-50%	-60%	-60%	-60%	-60%	
Prudential Level for cumulative mismatch	-5%*	-10%*	-15%*	-20%*	-30%	-30%	-30%	-30%	-30%	-30%	

* Figures indicate limits prescribed by RBI.

Table 4 (e) : STATEMENT OF INTEREST RATE SENSITIVITY

(Rs. in crores)

STATEMENT OF INTEREST RATE SENSITIVITY AS ON 31.03.2008	RESIDUAL MATURITY								
	1-28 DAYS	29D-3MTHS	>3-6 MTHS	>6-12 MTHS	>1-3 YEARS	>3-5 YEARS	> 5 YEARS	N-SENSITIVE	TOTAL
1.CAPITAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00	50.00
2.RESERVES AND SURPULS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1663.21	1663.21
3.DEPOSITS	1510.91	3348.38	8116.62	10355.88	3710.63	1224.30	142.51	5587.42	33996.65
(I) CURRENT DEPOSITS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3444.57	3444.57
(II) SAVINGS BANK DEPOSITS	0.00	0.00	6428.57	0.00	0.00	0.00	0.00	2142.85	8571.42
(III) TERM DEPOSITS	1171.26	2371.32	1199.40	7428.58	3710.63	1224.30	142.51	0.00	17248.00
(IV) CERTIFICATE OF DEPOSITS	339.65	977.06	488.65	2927.30	0.00	0.00	0.00	0.00	4732.66
4. BORROWINGS	400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	400.00
(I) CALL AND SHORT NOTICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(II) INTER-BANK(TERM)	400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	400.00
(III) REFINANCES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(IV) OTHERS (SPECIFY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5. OTHER LIABILITIES AND PROV.	0.00	0.00	0.00	0.00	0.00	0.00	1650.00	2351.01	4001.01
(I) BILLS PAYABLE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1037.65	1037.65
(II) INTER-OFFICE ADJUSTMENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(III) PROVISIONS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	342.60	342.60
(IV) OTHERS	0.00	0.00	0.00	0.00	0.00	0.00	1650.00	970.76	2620.76
6.REPOS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7.BILLS REDISCOUNTED(DUPN)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8. SWAPS(BUY/SELL)/	784.15	1838.86	1874.04	2125.78	40.87	0.00	0.00	0.00	6663.70
INTEREST PAYABLE	18.31	21.37	9.14	74.74	48.27	39.00	113.98	0.00	324.81
9. OTHERS(SPECIFY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. TOTAL LIABILITIES	2713.37	5208.61	9999.80	12556.40	3799.77	1263.30	1906.49	9651.64	47099.38

Appendix – IV (d)

Table 4 (e)

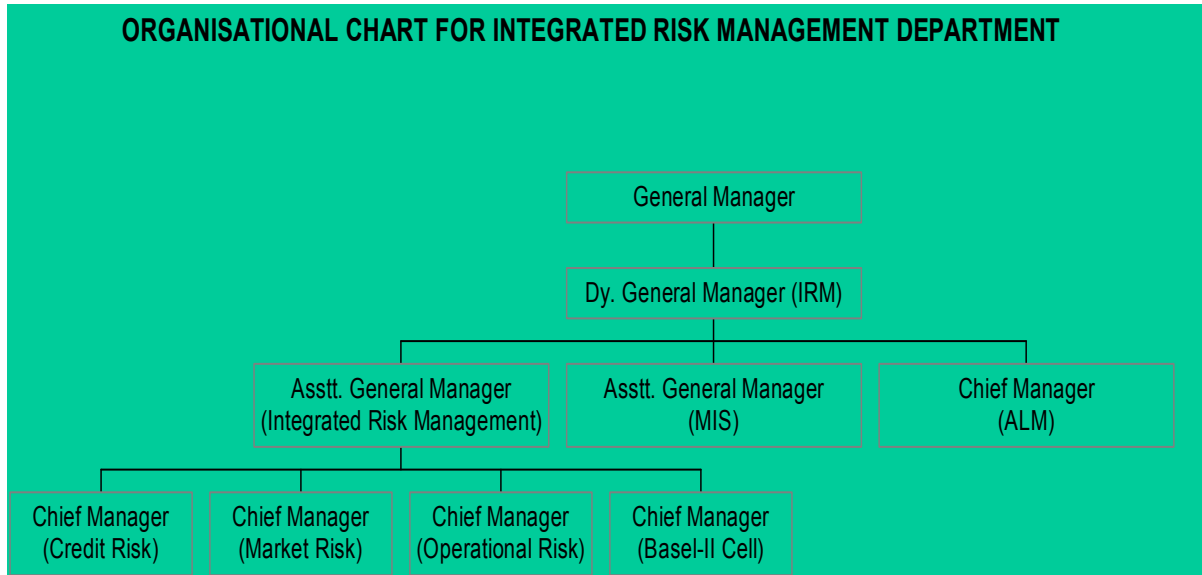
(Rs. in crores)

STATEMENT OF INTEREST RATE SENSITIVITY AS ON 31.03.2008	RESIDUAL MATURITY								
	1-28 DAYS	29D-3MTHS	>3-6 MTHS	>6-12 MTHS	>1-3 YEARS	>3-5 YEARS	> 5 YEARS	N-SENSITIVE	TOTAL
ASSETS									
1 CASH	0.00	0.00	0.00	0.00	0.00	0.00	0.00	81.32	81.32
2.BALANCES WITH RBI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3826.97	3826.97
3. BALANCES WITH OTHER BANKS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	56.69	56.69
3.1 CURRENT ACCOUNT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	56.69	56.69
3.2 MONEY AT CALL AND SHORT NOTICE, TERM DEPOSITS AND OTHER PLACEMENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. INVESTMENTS (INCLUDING REPOS BUT EXCLUDING REV. REPOS	136.19	662.30	923.99	331.91	2401.71	1482.80	4334.44	292.74	10566.08
4.A OUT of WHICH HELD TO MATURITY	0.00	7300.06	0.00	0.00	0.00	0.00	0.00	0.00	7300.06
5. ADVANCES (PERFORMING)	932.64	1365.70	19938.55	77.39	126.19	88.50	499.69	1365.47	24394.13
(i) BILLS PURCHASED & DISCOUNTED	521.00	250.01	30.49	1.52	0.06	0.00	0.22	0.00	803.30
(ii) CASH CREDITS, OVERDRAFTS & DEMAND LOANS	1.98	0.23	8533.36	1.19	19.04	13.95	397.79	1365.47	10333.01
(iii) TERM LOANS	409.66	1115.46	11374.70	74.68	107.09	74.55	101.68	0.00	13257.82
6. NPAs (ADVANCES)	0.00	0.00	0.00	0.00	0.00	121.84	87.25	0.00	209.09
7. FIXED ASSETS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	160.77	160.77
8. OTHER ASSETS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	494.69	494.69
(i) INTER OFFICE ADJUSTMENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	158.93	158.93
(ii) OTHERS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	335.76	335.76
9. REVERSE REPOS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10. SWAPS (SELL/BUY) MATURING FORWARDS	790.24	1979.58	1968.00	2125.49	57.09	0.00	0.00	0.00	6920.40
11. BILLS REDISCOUNTED	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12. INTEREST RECEIVABLE	1.21	153.21	234.85	8.13	0.00	0.00	0.00	0.00	397.40
13. COMMITTED LINES OF CREDIT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14. OTHERS (SPECIFY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. TOTAL ASSETS	1860.28	4160.79	23065.39	2542.92	2584.99	1693.14	4921.38	6278.65	47107.54
C. GAP(B-A)	-853.09	-1047.82	13065.59	-10013.48	-1214.78	429.84	3014.89	-3372.99	0.00
D. CUMULATIVE GAP	-853.09	-1900.91	11164.68	1151.20	-63.58	366.26	3381.15	8.16	0.00
E. C AS % TO B	-46%	-25%	57%	-394%	-47%	25%	61%	-54%	
F. D AS % TO B	-46%	-32%	38%	4%	0%	1%	8%	0%	
G.C AS % TO TOATL RT.SENS.ASSETS	-2.09%	-2.57%	32.00%	-24.53%	-2.98%	1.05%	7.38%	-8.26%	
Prudential Level for Gap(Not exceed to)	35%	35%	35%	30%	30%	30%	30%		

Table 6

Risk Concentrations within the risk mitigants (as on 31.03.2008)

Financial Risk Mitigants	Outstanding Amount of Risk Mitigants (Rs. in crs)	Risk Concentration (%)
TDR, LIC, NSC etc.	1056.91	92.19%
Mutual Funds	0.00	0.00%
Gold	0.76	0.07%
Shares / Debentures	0.00	0.00%
Govt Securities (Except NSC)	0.00	0.00%
Debentures/ Bonds	88.75	7.74%
Others	0.00	0.00%
Total	1146.42	100%



End of Disclosures