

**Disclosure under Basel II**  
**As on Mid July 2013 ( 4th Quarter End-Ashad 2070 of FY 2069/70)**

**Capital Structure and Capital Adequacy:**

**• Tier 1 Capital and Breakdown of its Components:**

**NPR in 000**

| <b>Particulars</b>                            | <b>Amount</b>    |
|---|------------------|
| Paid up Equity Share Capital                  | 1,601,126        |
| Proposed Bonus Equity Shares                  | -                |
| Share Premium                                 | 18,555           |
| Irredeemable Non-cumulative preference shares | -                |
| Statutory General Reserves                    | 1,315,791        |
| Retained Earnings                             | 1,528,569        |
| Reserve for Deffered Tax                      | 99,453           |
| Un-audited current year cumulative profit     |                  |
| Debenture Redemption Reserve                  | 346,885          |
| Capital Redemption Reserve                    | 140,000          |
| Capital Adjustment Reserve                    | 367,147          |
| Dividend Equalization Reserves                | -                |
| Other Free Reserve                            | 31,226           |
| <b>Total (Tier 1) Capital</b>                 | <b>5,448,752</b> |

**NPR in 000**

| <b>Particulars</b>                            | <b>Amount</b>    |
|---|------------------|
| Cumulative and/or Redeemable Preference Share | 160,000          |
| Subordinated Term Debt                        | 421,960          |
| Hybrid Capital Instruments                    | -                |
| General loan loss provision                   | 439,216          |
| Investment Adjustment Reserve                 | 3,476            |
| Assets Revaluation Reserve                    | -                |
| Exchange Equalization Reserve                 | 24,607           |
| Additional Loan Loss Provision                | 88,661           |
| Other Reserves                                | -                |
| <b>Total (Tier 2) Capital</b>                 | <b>1,137,920</b> |

**• Details of Subordinated Term Debt: Debenture**

|                                    |                |
|------------------------------------|----------------|
| Maturity period:                   | 10 YEAR        |
| Interest rate:                     | 8%             |
| Interest Payment frequency:        | HALF YEARLY    |
| Amount                             | 468.85 million |
| Eligible Amount for Tier 2 Capital | 421.96 million |

Debenture Redemption Reserve is Rs. 46.89 million

• **Details of Hybrid Capital Instrument: Convertible Preference Share**

|                                    |                   |
|------------------------------------|-------------------|
| Maturity period:                   | 15 YEAR           |
| Dividend Rate:                     | Rs. 7/- per share |
| Dividend Payment frequency:        | YEARLY            |
| Amount(Initial)                    | 200 million       |
| Eligible Amount for Tier 2 Capital | 160 million       |

Features :

20% amount of Initial Amount(200 Million) will be converted in Ordinary Share in every Three Years.

• **Deductions from Capital:**

The bank does not hold any amount as stipulated in the Framework that qualifies for deduction from its core capital.

• **Total qualifying capital:**

|                                | NPR in 000       |
|--------------------------------|------------------|
| Particulars                    | Amount           |
| Core Capital (Tier 1)          | 5,448,752        |
| Supplementary Capital (Tier 2) | 1,137,920        |
| <b>Total Capital Fund</b>      | <b>6,586,672</b> |
|                                |                  |

**Risk Exposures:**

• **Risk weighted exposures under each 11 categories of Credit Risk:**

|  | NPR in 000             |
|--|------------------------|
| Categorises  | Risk Weighted Exposure |
| Claims on Other Financial Entities                             | -                      |
| Claims on Banks  | 929,349                |
| Claims on Domestic Corporates and Securities Firms             | 19,706,445             |
| Claims on Regulatory Retail Portfolio & Other Retail Portfolio | 8,407,451              |
| Claims secured by residential properties                       | 2,783,412              |
| Claims secured by Commercial real estate -                     | 3,897,511              |
| Investment in equity of Institutions                           | 27,477                 |
| Past due claims  | -                      |
| High Risk claims   | 3,291,221              |
| Other Assets   | 1,530,568              |
| Off Balance Sheet Items  | 4,219,830              |
| <b>Total</b>   | <b>44,793,263</b>      |

• Total Risk Weight Exposures calculation table:

| NPR in 000  |                   |
|---|-------------------|
| RISK WEIGHTED EXPOSURES   | Amount            |
| Risk Weighted Exposure for Credit Risk                              | 44,793,263        |
| Risk Weighted Exposure for Operational Risk                         | 3,365,355         |
| Risk Weighted Exposure for Market Risk                              | 199,249           |
| Adjustments under Pillar II   | -                 |
| Add: 2% of the total RWE due to non Compliance to Disclosure (Reg)  | 968,504           |
| Add : 2% of gross income (capital charge) of immediate previous fin | 521,959           |
| <b>Total Risk Weighted Exposures</b>                                | <b>49,848,329</b> |
| Total Core Capital to Total Risk Weighted Exposures                 | 10.93%            |
| Total Capital to Total Risk Weighted Exposures                      | 13.21%            |

• Amount of Non Performing Assets (both Gross and Net)

| NPR in 000                 |                |                     |          |
|----------------------------|----------------|---------------------|----------|
| Particulars                | Amount         | Loan Loss Provision | Net NPL  |
| Non Performing Loans (NPL) | -              | -                   | -        |
| Restructured               | -              | -                   | -        |
| Sub-Standard               | 6,463          | 6,463               | -        |
| Doubtful                   | 10,409         | 10,409              | -        |
| Loss                       | 259,327        | 259,327             | -        |
| <b>Total</b>               | <b>276,199</b> | <b>276,199</b>      | <b>-</b> |

• NPA Ratios

| NPA Ratios                  | (%)   |
|-----------------------------|-------|
| Gross NPA to Gross Advances | 0.62% |
| Net NPA to Net Advances     | Nil   |

• Movement in Non Performing Assets

| NPR in 000                      |              |                  |            |
|---------------------------------|--------------|------------------|------------|
| Particulars                     | This Quarter | Previous Quarter | Changes(%) |
| Non Performing Assets (Volumes) | 276,199      | 294,778          | -6.30%     |
| Non Performing Assets (%)       | 0.62%        | 0.70%            | -0.08%     |

NPR in 000

• Write off of Loans and Interest Suspense in the Quarter

|                   |    |
|-------------------|----|
| Loan              | 88 |
| Interest Suspense | 45 |

• Movement in Loan Loss Provision and Interest Suspense:

| NPR in 000          |              |                  |            |
|---------------------|--------------|------------------|------------|
| Particulars         | This Quarter | Previous Quarter | Changes(%) |
| Loan Loss Provision | 804,576      | 794,719          | 1.24%      |
| Interest Suspense   | 131,878      | 233,566          | -43.54%    |

• **Details of Additional Loan Loss Provision:**

**NPR in 000**

| <b>Particulars</b>        | <b>15.07.2013</b> |
|---------------------------|-------------------|
| Pass                      | 89,162            |
| Rescheduled/ Restructured | -                 |
| Sub-Standard              | 4,847             |
| Doubtful                  | 5,205             |
| Loss                      | -                 |
| <b>Total</b>              | <b>99,213</b>     |

• **Segregation of Investment Portfolio:**

**NPR in 000**

| <b>Particulars</b>      | <b>15.07.2013</b> |
|-------------------------|-------------------|
| Held for Trading        | -                 |
| Held to Maturity        | 9,239,610         |
| Available for sale      | 25,849            |
| <b>Total Investment</b> | <b>9,265,458</b>  |