

**Disclosure under Basel II**

As on Mid Jan 2014 ( 2nd Quarter End-Poush 2070 of FY 2070/71)

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

NPR in 000

Particulars	Amount
Paid up Equity Share Capital	1,801,239
Proposed Bonus Equity Shares	-
Share Premium	18,555
Irredeemable Non-cumulative preference shares	-
Statutory General Reserves	1,615,791
Retained Earnings	559,466
Reserve for Deffered Tax	99,453
Un-audited current year cumulative profit	679,119
Debenture Redemption Reserve	46,885
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>5,358,881</b>

NPR in 000

Particulars	Amount
Cumulative and/or Redeemable Preference Share	120,000
Subordinated Term Debt	421,960
Hybrid Capital Instruments	-
General loan loss provision	476,775
Investment Adjustment Reserve	3,476
Assets Revaluation Reserve	-
Exchange Equalization Reserve	24,607
Additional Loan Loss Provision	79,284
Other Reserves	-
<b>Total (Tier 2) Capital</b>	<b>1,126,102</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: Cumulative 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	120 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:**

Particulars	NPR in 000
	Amount
Core Capital (Tier 1)	5,358,881
Supplementary Capital (Tier 2)	1,126,102
<b>Total Capital Fund</b>	<b>6,484,984</b>

**Risk Exposures:**

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

Categorises	NPR in 000
	Risk Weighted Exposure
Claims on Other Financial Entities	-
Claims on Banks	1,404,670
Claims on Domestic Corporates and Securities Firms	22,352,814
Claims on Regulatory Retail Portfolio & Other Retail Portfolio	8,869,375
Claims secured by residential properties	3,267,376
Claims secured by Commercial real estate -	3,189,684
Investment in equity of Institutions	26,717
Past due claims	-
High Risk claims	3,046,692
Other Assets	1,629,600
Off Balance Sheet Items	5,575,157
<b>Total</b>	<b>49,362,086</b>

**• Total Risk Weight Exposures calculation table:**

RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	49,362,086
Risk Weighted Exposure for Operational Risk	4,119,443
Risk Weighted Exposure for Market Risk	124,185
<b>Adjustments under Pillar II</b>	-
ALM policies & practices are not satisfactory, add 1% of net interest income to RWE SRP 6.4a (5)	-
Add .....% of the total deposit due to insufficient Liquid Assets SRP 6.4a (6)	-
Add RWE equivalent to reciprocal of capital charge of 2 % of gross income SRP 6.4a (7)	687,600
Overall risk management policies and procedures are not satisfactory. Add 2% of RWE SRP 6.4a (9)	1,072,114
If desired level of disclosure requirement has not been achieved, Add .....% of RWE SRP 6.4a (10)	-
<b>Total Risk Weighted Exposures</b>	<b>55,365,428</b>
Total Core Capital to Total Risk Weighted Exposures	9.68%
Total Capital to Total Risk Weighted Exposures	11.71%

• 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	18,529	18,529	-
Doubtful	11,063	11,063	-
Loss	258,107	258,107	-
<b>Total</b>	<b>287,699</b>	<b>287,699</b>	<b>-</b>

• NPA Ratios

NPA Ratios	(%)
Gross NPA to Gross Advances	0.60%
Net NPA to Net Advances	Nil

• Movement in Non Performing Assets

NPR in 000

Particulars	This Quarter	Previous Quarter	Changes(%)
Non Performing Assets (Volumes)	287,699	269,896	6.60%
Non Performing Assets (%)	0.60%	0.60%	0.00%

• Write off of Loans and Interest Suspense in the Quarter

NPR in 000

Loan	20
Interest Suspense	

• Movement in Loan Loss Provision and Interest Suspense:

NPR in 000

Particulars	This Quarter	Previous Quarter	Changes(%)
Loan Loss Provision	844,258	811,872	3.99%
Interest Suspense	209,384	178,573	17.25%

• Details of Additional Loan Loss Provision:

NPR in 000

Particulars	14.01.2014
Pass	-
Rescheduled/ Restructured	-
Sub-Standard	13,897
Doubtful	5,532
Loss	-
Others	79,784
<b>Total</b>	<b>99,213</b>

• Segregation of Investment Portfolio:

NPR in 000

Particulars	14.01.2014
Held for Trading	-
Held to Maturity	10,780,927
Available for sale	25,849
<b>Total Investment</b>	<b>10,806,776</b>