

Disclosure under Basel II

As on Mid July 2016 (4th Quarter End-Ashadh 2073 of FY 2072/73)

Capital Structure and Capital Adequacy:

• Tier 1 Capital and Breakdown of its Components:

NPR in 000

Particulars	Amount
Paid up Equity Share Capital	2,622,604
Proposed Bonus Equity Shares	-
Share Premium	18,555
Irredeemable Non- cumulative preference shares	-
Statutory General Reserves	2,286,651
Retained Earnings	2,168,781
Un-audited current year cumulative profit	-
Debenture Redemption Reserve	307,540
Capital Adjustment Reserve	854,710
Capital Redemption Reserve	-
Other Free Reserve	155,123
Less: Goodwill	-
Less: Deferred Tax Assests	-
Less: Miscellaneous Expenditure not written off	-
Less: Investment in Equity in licensed Financial Institutions	-
Less: Investment in Equity in licensed Financial Institutions	-
Less: Investment in Equity of institutions with excess of limits	-
Less: Investments arising out of underwriting commitments	-
Less: Reciprocal crossholdings	-
Less: Other Deductions	(75,069)
Adjustments under Pillar II	-
Less: Shortfall in Provision (6.4 a 1)	-
Less: Loans and Facilities extended to Related Parties and Restricted lending (6.4 a 2)	-
Total (Tier 1) Capital	8,338,895

NPR in 000

Particulars	Amount
Cumulative and/or Redeemable Preference Share	120,000
Subordinated Term Debt	948,845
Hybrid Capital Instruments	-
General loan loss provision	690,545
Investment Adjustment Reserve	50,418
Assets Revaluation Reserve	-
Exchange Equalization Reserve	27,837
Additional Loan Loss Provision	16,464
Other Reserves	-
Total (Tier 2) Capital	1,854,109

• Details of Subordinated Term Debt: Debenture

Amount	1068.85 million
10 years Debenture	468.85 million
6 years Debenture	600 million
Interest rate:	8%
Interest Payment frequency:	HALF YEARLY
Eligible Amount for Tier 2 Capital	1068.85 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 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)	8,338,895
Supplementary Capital (Tier 2)	1,854,109
Total Capital Fund	10,193,004

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	3,558,048
Claims on Domestic Corporates and Securities Firms	31,982,443
Claims on Regulatory Retail Portfolio & Other Retail Portfolio	12468365.25
Claims secured by residential properties	5,114,283
Claims secured by Commercial real estate -	2464198
Investment in equity of Institutions	103,317
Past due claims	5,029
High Risk claims	8,330,431.50
Staff Loan Secured by Residential Property	355,462
Other Assets/Cash in Transit	1,914,679
Off Balance Sheet Items	5,504,563
Total	71,800,819

• Total Risk Weight Exposures calculation table:

RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	71,800,819
Risk Weighted Exposure for Operational Risk	5,317,181
Risk Weighted Exposure for Market Risk	288,694
Adjustments under Pillar II	-
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)	1,548,134
Overall risk management policies and procedures are not satisfactory. Add 2% of RWE SRP 6.4a (9)	729,414
If desired level of disclosure requirement has not been achieved, Add% of RWE SRP 6.4a (10)	-
Total Risk Weighted Exposures	79,684,242
Total Core Capital to Total Risk Weighted Exposures	10.46%
Total Capital to Total Risk Weighted Exposures	12.79%

• 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	13,186	3,297	9,890
Doubtful	10,210	5,105	5,105
Loss	241,026	241,026	-
Total	264,422	249,427	14,995

• NPA Ratios

NPA Ratios	(%)
Gross NPA to Gross Advances	38.00%
Net NPA to Net Advances	0.02%

• Movement in Non Performing Assets

NPR in 000

Particulars	This Quarter	Previous Quarter	Changes(%)
Non Performing Assets (Volumes)	264,422	373,774	-29.26%
Non Performing Assets (%)	38.00%	0.63%	37.37%

• Write off of Loans and Interest Suspense in the Quarter

NPR in 000

Loan	-
Interest Suspense	2,068

• Movement in Loan Loss Provision and Interest Suspense:

NPR in 000

Particulars	This Quarter	Previous Quarter	Changes(%)
Loan Loss Provision	956,436	897,464	6.57%
Interest Suspense	149,342	277,842	-46.25%

• Details of Additional Loan Loss Provision:

NPR in 000

Particulars	15.07.2016
Pass	-
Rescheduled/ Restructured	-
Sub-Standard	-
Doubtful	-
Loss	-
Others	16,464
Total	16,464

• Segregation of Investment Portfolio:

NPR in 000

Particulars	15.07.2016
Held for Trading	-
Held to Maturity	10,361,766
Available for sale	75,849
Total Investment	10,437,615