

Disclosure under Basel III

As on Mid Oct 2016 (1st Quarter End-Ashwin 2073 of FY 2073/74)

Capital Structure and Capital Adequacy:

• Tier 1 Capital and Breakdown of its Components:

NPR in 000

Particulars	Amount
Paid up Equity Share Capital	2,662,604
Proposed Bonus Equity Shares	-
Share Premium	17,845
Irredeemable Non- cumulative preference shares	-
Statutory General Reserves	2,286,644
Retained Earnings	2,168,754
Un-audited current year cumulative profit	513,421
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	(97,788)
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	8,868,852

NPR in 000

Particulars	Amount
Cumulative and/or Redeemable Preference Share	80,000
Subordinated Term Debt	948,845
Hybrid Capital Instruments	-
Stock Premium	712
General loan loss provision	707,009
Investment Adjustment Reserve	50,418
Assets Revaluation Reserve	-
Exchange Equalization Reserve	27,837
Other Reserves	-
Total (Tier 2) Capital	1,814,821

• 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	80 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)	8,868,852
Supplementary Capital (Tier 2)	1,814,821
Total Capital Fund	10,683,673

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	2,380,800
Claims on Domestic Corporates and Securities Firms	31,534,459
Claims on Regulatory Retail Portfolio & Other Retail Portfolio	12636157.63
Claims secured by residential properties	5,398,371
Claims secured by Commercial real estate -	2505800
Investment in equity of Institutions	103,317
Past due claims	-
High Risk claims	9,013,129.03
Staff Loan Secured by Residential Property	209,612
Other Assets/Cash in Transit	2,193,459
Off Balance Sheet Items	6,532,723
Total	72,507,827

• Total Risk Weight Exposures calculation table:

RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	72,507,827
Risk Weighted Exposure for Operational Risk	5,682,107
Risk Weighted Exposure for Market Risk	227,008
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)	833,600
Overall risk management policies and procedures are not satisfactory. Add 2% of RWE SRP 6.4a (9)	1,568,339
If desired level of disclosure requirement has not been achieved, Add% of RWE SRP 6.4a (10)	-
Total Risk Weighted Exposures	80,818,881
Total Core Capital to Total Risk Weighted Exposures	10.97%
Total Capital to Total Risk Weighted Exposures	13.22%

• 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	30,483	7,621	22,862
Doubtful	8,398	4,199	4,199
Loss	210,289	210,289	-
Total	249,170	222,109	27,061

• NPA Ratios

NPA Ratios	(%)
Gross NPA to Gross Advances	0.36%
Net NPA to Net Advances	0.04%

• Movement in Non Performing Assets

NPR in 000

Particulars	This Quarter	Previous Quarter	Changes(%)
Non Performing Assets (Volumes)	249,170	373,774	-33.34%
Non Performing Assets (%)	0.36%	0.63%	-0.27%

• Write off of Loans and Interest Suspense in the Quarter

NPR in 000

Loan	-
Interest Suspense	2,478.59

• Movement in Loan Loss Provision and Interest Suspense:

NPR in 000

Particulars	This Quarter	Previous Quarter	Changes(%)
Loan Loss Provision	963,568	956,436	0.75%
Interest Suspense	227,870	149,342	52.58%

• Details of Additional Loan Loss Provision:

NPR in 000

Particulars	15.10.2016
Pass	-
Rescheduled/ Restructured	-
Sub-Standard	-
Doubtful	-
Loss	-
Others	16,464
Total	16,464

• Segregation of Investment Portfolio:

NPR in 000

Particulars	15.10.2016
Held for Trading	-
Held to Maturity	11,221,056
Available for sale	75,849
Total Investment	11,296,905