

Disclosure under Basel II

As on Mid January 2015 (2nd Quarter End-Poush 2071 of FY 2071/72)

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

NPR in 000

Particulars	Amount
Paid up Equity Share Capital	2,017,388
Proposed Bonus Equity Shares	-
Share Premium	18,555
Irredeemable Non-cumulative preference shares	-
Statutory General Reserves	1,925,731
Retained Earnings	607,444
Reserve for Deffered Tax	106,569
Un-audited current year cumulative profit	771,226
Debenture Redemption Reserve	93,770
Capital Redemption Reserve	140,000
Capital Adjustment Reserve	367,147
Other Free Reserve	31,226
Total (Tier 1) Capital	6,079,055

NPR in 000

Particulars	Amount
Cumulative and/or Redeemable Preference Share	120,000
Subordinated Term Debt	375,075
Hybrid Capital Instruments	-
General loan loss provision	539,181
Investment Adjustment Reserve	3,476
Assets Revaluation Reserve	-
Exchange Equalization Reserve	25,843
Additional Loan Loss Provision	98,714
Other Reserves	-
Total (Tier 2) Capital	1,162,289

• 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	375.08 million

Debenture Redemption Reserve is Rs. 93.77 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)	6,079,055
Supplementary Capital (Tier 2)	1,162,289
Total Capital Fund	7,241,344

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	2,043,141
Claims on Domestic Corporates and Securities Firms	24,556,983
Claims on Regulatory Retail Portfolio & Other Retail Portfolio	9,896,221
Claims secured by residential properties	4,297,034
Claims secured by Commercial real estate -	2,864,297
Investment in equity of Institutions	84,567
Past due claims	144,060
High Risk claims	5,079,054
Staff Loan Secured by Residential Property	241,833
Other Assets/Cash in Transit	1,681,305
Off Balance Sheet Items	4,988,887
Total	55,877,381

• Total Risk Weight Exposures calculation table:

RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	55,877,381
Risk Weighted Exposure for Operational Risk	4,787,543
Risk Weighted Exposure for Market Risk	155,651
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)	709,829
Overall risk management policies and procedures are not satisfactory. Add 2% of RWE SRP 6.4a (9)	1,216,412
If desired level of disclosure requirement has not been achieved, Add% of RWE SRP 6.4a (10)	-
Total Risk Weighted Exposures	62,746,815
Total Core Capital to Total Risk Weighted Exposures	9.69%
Total Capital to Total Risk Weighted Exposures	11.54%

• 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	98,216	24,554	73,662
Doubtful	61,965	30,982	30,982
Loss	197,671	197,671	-
Total	357,852	253,208	104,644

• NPA Ratios

NPA Ratios	(%)
Gross NPA to Gross Advances	0.65%
Net NPA to Net Advances	0.19%

• Movement in Non Performing Assets

NPR in 000

Particulars	This Quarter	Previous Quarter	Changes(%)
Non Performing Assets (Volumes)	357,852	339,611	5.37%
Non Performing Assets (%)	0.65%	0.63%	0.02%

• Write off of Loans and Interest Suspense in the Quarter

NPR in 000

Loan	-
Interest Suspense	-

• Movement in Loan Loss Provision and Interest Suspense:

NPR in 000

Particulars	This Quarter	Previous Quarter	Changes(%)
Loan Loss Provision	895,859	912,322	-1.80%
Interest Suspense	209,340	187,252	11.80%

• Details of Additional Loan Loss Provision:

NPR in 000

Particulars	14.01.2015
Pass	-
Rescheduled/ Restructured	-
Sub-Standard	-
Doubtful	-
Loss	-
Others	99,213
Total	99,213

• Segregation of Investment Portfolio:

NPR in 000

Particulars	14.01.2015
Held for Trading	-
Held to Maturity	13,510,734
Available for sale	63,349
Total Investment	13,574,083