

Disclosure under Basel II

As on Mid July 2015 (4th Quarter End-Ashadh 2072 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	2,240,602
Retained Earnings	1,811,640
Reserve for Deferred Tax	
Un-audited current year cumulative profit	
Debenture Redemption Reserve	140,655
Capital Adjustment Reserve	507,147
Capital Redemption Reserve	
Other Free Reserve	137,795
Less: Goodwill	-
Less: Deferred Tax Assets	(82,194)
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	-
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	6,791,588

NPR in 000

Particulars	Amount
Cumulative and/or Redeemable Preference Share	120,000
Subordinated Term Debt	928,190
Hybrid Capital Instruments	-
General loan loss provision	563,031
Investment Adjustment Reserve	3,476
Assets Revaluation Reserve	-
Exchange Equalization Reserve	25,843
Additional Loan Loss Provision	16,465
Other Reserves	-
Total (Tier 2) Capital	1,657,004

• 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	928.19 million

Debenture Redemption Reserve is Rs. 140.66 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:

	NPR in 000
Particulars	Amount
Core Capital (Tier 1)	6,791,588
Supplementary Capital (Tier 2)	1,657,004
Total Capital Fund	8,448,592

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	2,920,427
Claims on Domestic Corporates and Securities Firms	23,551,061
Claims on Regulatory Retail Portfolio & Other Retail Portfolio	10,573,450
Claims secured by residential properties	4,644,935
Claims secured by Commercial real estate -	2,514,758
Investment in equity of Institutions	84,567
Past due claims	86,940
High Risk claims	5,615,561
Staff Loan Secured by Residential Property	287,110
Other Assets/Cash in Transit	1,572,856
Off Balance Sheet Items	4,529,866
Total	56,381,530

• Total Risk Weight Exposures calculation table:

RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	56,381,530
Risk Weighted Exposure for Operational Risk	4,787,542
Risk Weighted Exposure for Market Risk	341,993
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)	1,230,221
If desired level of disclosure requirement has not been achieved, Add% of RWE SRP 6.4a (10)	-
Total Risk Weighted Exposures	63,451,115
Total Core Capital to Total Risk Weighted Exposures	10.70%
Total Capital to Total Risk Weighted Exposures	13.32%

• 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	66,626	16,656	49,969
Doubtful	32,271	16,135	16,135
Loss	268,268	268,268	-
Total	367,164	301,059	66,105

• NPA Ratios

NPA Ratios	(%)
Gross NPA to Gross Advances	0.66%
Net NPA to Net Advances	0.12%

• Movement in Non Performing Assets

NPR in 000

Particulars	This Quarter	Previous Quarter	Changes(%)
Non Performing Assets (Volumes)	367,164	358,442	2.43%
Non Performing Assets (%)	0.66%	0.63%	0.03%

• 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	881,054	937,374	-6.01%
Interest Suspense	118,556	231,514	-48.79%

• Details of Additional Loan Loss Provision:

NPR in 000

Particulars	16.07.2015
Pass	-
Rescheduled/ Restructured	-
Sub-Standard	-
Doubtful	-
Loss	-
Others	16,964
Total	16,964

• Segregation of Investment Portfolio:

NPR in 000

Particulars	16.07.2015
Held for Trading	-
Held to Maturity	15,039,325
Available for sale	63,349
Total Investment	15,102,674