

**Disclosure under Basel II**

As on Mid October 2014 ( 1st Quarter End-Ashwin 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	391,137
Debenture Redemption Reserve	93,770
Capital Redemption Reserve	140,000
Capital Adjustment Reserve	367,147
Other Free Reserve	31,226
<b>Total (Tier 1) Capital</b>	<b>5,698,966</b>

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	532,136
Investment Adjustment Reserve	3,476
Assets Revaluation Reserve	-
Exchange Equalization Reserve	25,843
Additional Loan Loss Provision	98,714
Other Reserves	-
<b>Total (Tier 2) Capital</b>	<b>1,155,244</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	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)	5,698,966
Supplementary Capital (Tier 2)	1,155,244
<b>Total Capital Fund</b>	<b>6,854,210</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	1,601,386
Claims on Domestic Corporates and Securities Firms	24,750,896
Claims on Regulatory Retail Portfolio & Other Retail Portfolio	9,177,570
Claims secured by residential properties	4,038,103
Claims secured by Commercial real estate -	2,893,530
Investment in equity of Institutions	84,567
Past due claims	80,077
High Risk claims	5,091,371
Staff Loan Secured by Residential Property	250,799
Other Assets/Cash in Transit	1,490,976
Off Balance Sheet Items	5,469,646
<b>Total</b>	<b>54,928,921</b>

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

RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	54,928,921
Risk Weighted Exposure for Operational Risk	4,787,543
Risk Weighted Exposure for Market Risk	225,425
<b>Adjustments under Pillar II</b>	<b>-</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)	709,829
Overall risk management policies and procedures are not satisfactory. Add 2% of RWE SRP 6.4a (9)	1,198,838
If desired level of disclosure requirement has not been achieved, Add .....% of RWE SRP 6.4a (10)	-
<b>Total Risk Weighted Exposures</b>	<b>61,850,555</b>
Total Core Capital to Total Risk Weighted Exposures	9.21%
Total Capital to Total Risk Weighted Exposures	11.08%

• 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	75,420	18,855	56,565
Doubtful	4,144	2,072	2,072
Loss	260,046	260,046	-
<b>Total</b>	<b>339,611</b>	<b>280,974</b>	<b>58,637</b>

• NPA Ratios

NPA Ratios	(%)
Gross NPA to Gross Advances	0.63%
Net NPA to Net Advances	0.11%

• Movement in Non Performing Assets

NPR in 000

Particulars	This Quarter	Previous Quarter	Changes(%)
Non Performing Assets (Volumes)	339,611	302,548	12.25%
Non Performing Assets (%)	0.63%	0.97%	-0.34%

• 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	912,322	878,280	3.88%
Interest Suspense	187,252	130,822	43.13%

• Details of Additional Loan Loss Provision:

NPR in 000

Particulars	17.10.2014
Pass	-
Rescheduled/ Restructured	-
Sub-Standard	-
Doubtful	-
Loss	-
Others	99,213
<b>Total</b>	<b>99,213</b>

• Segregation of Investment Portfolio:

NPR in 000

Particulars	17.10.2014
Held for Trading	-
Held to Maturity	8,615,797
Available for sale	63,349
<b>Total Investment</b>	<b>8,679,146</b>