

Disclosure under Basel III

As on July 2017 (4th Quarter End-Ashadh 2074 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	4,526,427
Proposed Bonus Equity Shares	-
Share Premium	17,845
Irredeemable Non- cumulative preference shares	-
Statutory General Reserves	2,682,984
Retained Earnings	1,633,392
Un-audited current year cumulative profit	-
Debenture Redemption Reserve	-
Capital Adjustment Reserve	854,710
Capital Redemption Reserve	474,425
Other Free Reserve	1,309,640
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: Deferred Tax Assests	(70,835)
Less: Intangible Assests	(5,970)
Less: Purchase of land & building in excess of limit and unutilized	(31,200)
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	11,391,417

NPR in 000	
Particulars	Amount
Cumulative and/or Redeemable Preference Share	80,000
Subordinated Term Debt	948,845
Hybrid Capital Instruments	-
Stock Premium	-
General loan loss provision	766,137
Investment Adjustment Reserve	50,418
Assets Revaluation Reserve	-
Exchange Equalization Reserve	27,837
Other Reserves	-
Total (Tier 2) Capital	1,873,237

• 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	828.85 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)	11,391,417
Supplementary Capital (Tier 2)	1,873,237
Total Capital Fund	13,264,654

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	1,985,618
Claims on Domestic Corporates and Securities Firms	34,974,158
Claims on Regulatory Retail Portfolio & Other Retail Portfolio	14773805
Claims secured by residential properties	5,995,408
Claims secured by Commercial real estate -	2211707
Investment in equity of Institutions	103,317
Past due claims	266,643
High Risk claims	9,913,148
Staff Loan Secured by Residential Property	355,462
Other Assets/Cash in Transit	2,962,152
Off Balance Sheet Items	6,387,945
Total	79,929,363

• Total Risk Weight Exposures calculation table:

RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	79,929,363
Risk Weighted Exposure for Operational Risk	5,682,107
Risk Weighted Exposure for Market Risk	552,592
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)	1,723,281
If desired level of disclosure requirement has not been achieved, Add% of RWE SRP 6.4a (10)	-
Total Risk Weighted Exposures	88,720,942
Total Core Capital to Total Risk Weighted Exposures	12.84%
Total Capital to Total Risk Weighted Exposures	14.95%

• Amount of Non Performing Assets (both Gross and Net)

			NPR in 000
Particulars	Amount	Loan Loss Provision	Net NPL
Non Performing Loans (NPL)	-	-	-
Restructured	200,681	25,085	175,596
Sub-Standard	2,490	623	1,868
Doubtful	1,849	924	924
Loss	194,566	194,566	-
Total	399,586	221,198	178,388

• NPA Ratios

NPA Ratios	(%)
Gross NPA to Gross Advances	0.51%
Net NPA to Net Advances	0.23%

• Movement in Non Performing Assets

			NPR in 000
Particulars	This Quarter	Previous Quarter	Changes(%)
Non Performing Assets (Volumes)	399,586	493,621	-19.05%
Non Performing Assets (%)	0.51%	0.67%	-0.16%

• 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	1,028,218	1,005,320	2.28%
Interest Suspense	174,037	347,390	-49.90%

• Details of Additional Loan Loss Provision:

		NPR in 000
Particulars	15.7.2017	
Pass	-	
Rescheduled/ Restructured	-	
Sub-Standard	-	
Doubtful	-	
Loss	-	
Others	16,464	
Total	16,464	

• Segregation of Investment Portfolio:

		NPR in 000
Particulars	15.07.2017	
Held for Trading	-	
Held to Maturity	8,537,963	
Available for sale	75,849	
Total Investment	8,613,811	

264093.88