

Disclosure under Basel III

As on 14 Jan 2020 (2nd Quarter End-Poush of FY 2076/77)

Capital Structure and Capital Adequacy:

• Tier 1 Capital and Breakdown of its Components:

NPR in 000

Particulars	Amount
Paid up Equity Share Capital	8,470,207
Proposed Bonus Equity Shares	-
Share Premium	238,470
Irredeemable Non- cumulative preference shares	-
Statutory General Reserves	3,815,054
Retained Earnings	307,435
Un-audited current year cumulative profit	1,252,698
Debenture Redemption Reserve	-
Capital Adjustment Reserve	808,195
Capital Redemption Reserve	47,563
Other Free Reserve	138,625
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	-
Less: Intangible Assests	(43,226)
Less: Purchase of land & building in excess of limit and unutilized	(31,200)
Less: Other Deductions	(53,946)
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	14,949,875

NPR in 000

Particulars	Amount
Cumulative and/or Redeemable Preference Share	40,000
Subordinated Term Debt	401,307
Hybrid Capital Instruments	-
Stock Premium	-
General loan loss provision	1,231,678
Investment Adjustment Reserve	1,453
Assets Revaluation Reserve	-
Exchange Equalization Reserve	30,162
Other Reserves	22,954
Total (Tier 2) Capital	1,727,555

• 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	401.31 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	40 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)	14,949,875
Supplementary Capital (Tier 2)	1,727,555
Total Capital Fund	16,677,430

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	3,809,662
Claims on Domestic Corporates and Securities Firms	58,868,913
Claims on Regulatory Retail Portfolio & Other Retail Portfolio	17,418,248
Claims secured by residential properties	10,314,305
Claims secured by Commercial real estate -	4,243,646
Investment in equity of Institutions	253,529
Past due claims	72,606
High Risk claims	12,502,306
Staff Loan Secured by Residential Property	472,729
Other Assets/Cash in Transit	3,665,838
Off Balance Sheet Items	10,255,173
Total	121,876,955

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

RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	121,876,955
Risk Weighted Exposure for Operational Risk	8,205,295
Risk Weighted Exposure for Market Risk	379,689
Adjustments under Pillar II	-
ALM policies & practices are not satisfactory, add 1% of net interest income to RWE SRP 6	-
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)	2,145,700
Overall risk management policies and procedures are not satisfactory. Add 2% of RWE SRP	2,609,239
If desired level of disclosure requirement has not been achieved, Add% of RWE SRP 6.4a (10)	-
Total Risk Weighted Exposures	135,216,878
Total Core Capital to Total Risk Weighted Exposures	11.06%
Total Capital to Total Risk Weighted Exposures	12.33%

• 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	70,049	17,512	52,537
Doubtful	30,800	15,400	15,400
Loss	90,591	90,591	-
Total	191,441	123,504	67,937

• NPA Ratios

NPA Ratios	(%)
Gross NPA to Gross Advances	0.16%
Net NPA to Net Advances	0.06%

• Movement in Non Performing Assets

NPR in 000

Particulars	This Quarter	Previous Quarter	Changes(%)
Non Performing Assets (Volumes)	191441	201031	-4.77%
Non Performing Assets (%)	0.16%	0.17%	-8.42%

• 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	1,355,182	1,332,760	1.68%
Interest Suspense	410,944	193,999	111.83%

• Details of Additional Loan Loss Provision:

NPR in 000

Particulars	14.01.2020
Pass	-
Rescheduled/ Restructured	-
Sub-Standard	-
Doubtful	-
Loss	-
Others	16,464
Total	16,464

• Segregation of Investment Portfolio:

NPR in 000

Particulars	14.01.2020
Held for Trading	-
Held to Maturity	28,207,957
Available for sale	1,335,536
Total Investment	29,543,493