

Disclosure under Basel III

As on 15th July 2021 (4th Quarter End-Ashad of FY 2077/78)

Capital Structure and Capital Adequacy:

• Tier 1 Capital and Breakdown of its Components:

NPR in 000

Particulars	Amount
Paid up Equity Share Capital	8,893,717
Proposed Bonus Equity Shares	-
Share Premium	238,470
Irredeemable Non- cumulative preference shares	-
Statutory General Reserves	4,683,958
Retained Earnings	901,465
Un-audited current year cumulative profit	1,463,500
Dividend Equalization Reserve	-
Capital Adjustment Reserve	647,563
Capital Redemption Reserve	421,965
Other Free Reserve	106,221
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	(32,837)
Less: Intangible Assests	-
Less: Purchase of land & building in excess of limit and unutilized	(31,200)
Less: Other Deductions	(97,071)
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	17,195,750

NPR in 000

Particulars	Amount
Cumulative and/or Redeemable Preference Share	40,000
Subordinated Term Debt	93,769
Hybrid Capital Instruments	-
Stock Premium	-
General loan loss provision	1,718,893
Investment Adjustment Reserve	2,773
Assets Revaluation Reserve	-
Exchange Equalization Reserve	38,060
Other Reserves	5,263
Total (Tier 2) Capital	1,898,759

• Details of Subordinated Term Debt: Debenture

Amount	468.85 million
10 years Debenture	468.85 million
Interest rate:	8%
Interest Payment frequency:	HALF YEARLY
Eligible Amount for Tier 2 Capital	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	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)	17,195,750
Supplementary Capital (Tier 2)	1,898,759
Total Capital Fund	19,094,510

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	3,051,468
Claims on Domestic Corporates and Securities Firms	69,098,404
Claims on Regulatory Retail Portfolio & Other Retail Portfolio	19,303,518
Claims secured by residential properties	10,623,665
Claims secured by Commercial real estate -	2,526,987
Investment in equity of Institutions	146,493
Past due claims	53,862
High Risk claims	13,052,938
Lending against securities (bonds & shares)	2,698,205
Staff Loan Secured by Residential Property	554,353
Other Assets/Cash in Transit	4,191,763
Off Balance Sheet Items	12,272,270
Total	137,573,925

• Total Risk Weight Exposures calculation table:

RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	137,573,925
Risk Weighted Exposure for Operational Risk	9,137,438
Risk Weighted Exposure for Market Risk	1,155,135
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)	1,865,541
Overall risk management policies and procedures are not satisfactory. Add 2% of RWE SRP	2,957,330
If desired level of disclosure requirement has not been achieved, Add% of RWE SRP 6.4a (10)	-
Total Risk Weighted Exposures	152,689,368
Total Core Capital to Total Risk Weighted Exposures	11.26%
Total Capital to Total Risk Weighted Exposures	12.51%

• 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	51,119	12,780	38,339
Doubtful	12,356	6,178	6,178
Loss	95,326	95,326	-
Total	158,801	114,284	44,517

• NPA Ratios

NPA Ratios	(%)
Gross NPA to Gross Advances	0.12%
Net NPA to Net Advances	0.03%

• Movement in Non Performing Assets

NPR in 000

Particulars	This Quarter	Previous Quarter	Changes(%)
Non Performing Assets (Volumes)	158801	157272	0.97%
Non Performing Assets (%)	0.12%	0.12%	-4.91%

• 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	2,083,103	1,634,283	27.46%
Interest Suspense	541,410	760,507	-28.81%

• Details of Additional Loan Loss Provision:

NPR in 000

Particulars	15.07.2021
Pass	-
Rescheduled/ Restructured	-
Sub-Standard	-
Doubtful	-
Loss	-
Others	16,464
Total	16,464

• Segregation of Investment Portfolio:

NPR in 000

Particulars	15.07.2021
Held for Trading	-
Held to Maturity	30,251,168
Available for sale	3,388,371
Total Investment	33,639,539