

Disclosure under Basel III

As on 14th Jan 2022 (2nd Quarter End-Poush of FY 2078/79)

Capital Structure and Capital Adequacy:

• Tier 1 Capital and Breakdown of its Components:

NPR in 000

Particulars	Amount
Paid up Equity Share Capital	9,427,340
Proposed Bonus Equity Shares	-
Share Premium	238,470
Irredeemable Non- cumulative preference shares	-
Statutory General Reserves	4,726,450
Retained Earnings	1,446,376
Un-audited current year cumulative profit	1,208,787
Dividend Equalization Reserve	-
Capital Adjustment Reserve	647,563
Capital Redemption Reserve	-
Debenture Redemption Reserve	421,965
Other Free Reserve	88,177
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	(28,883)
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	18,047,975

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	1,932,976
Investment Adjustment Reserve	2,763
Assets Revaluation Reserve	-
Exchange Equalization Reserve	38,060
Other Reserves	-
Total (Tier 2) Capital	2,107,569

• 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:

Particulars	NPR in 000
	Amount
Core Capital (Tier 1)	18,047,975
Supplementary Capital (Tier 2)	2,107,569
Total Capital Fund	20,155,543

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	3,550,474
Claims on Domestic Corporates and Securities Firms	78,068,650
Claims on Regulatory Retail Portfolio & Other Retail Portfolio	21,336,931
Claims secured by residential properties	10,901,400
Claims secured by Commercial real estate -	2,150,100
Investment in equity of Institutions	1,634,332
Past due claims	77,405
High Risk claims	15,518,880
Staff Loan Secured by Residential Property	554,353
Other Assets/Cash in Transit	5,316,119
Off Balance Sheet Items	13,132,480
Total	152,241,125

• Total Risk Weight Exposures calculation table:

RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	152,241,125
Risk Weighted Exposure for Operational Risk	8,856,874
Risk Weighted Exposure for Market Risk	529,338
Adjusments 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 3% of gross income SRP 6.4a (7)	1,504,395
Overall risk management policies and procedures are not satisfactory. Add 2% of RWE SRP	3,232,547
If desired level of disclosure requirement has not been achieved, Add% of RWE SRP 6.4a (10)	-
Total Risk Weighted Exposures	166,364,278
Total Core Capital to Total Risk Weighted Exposures	10.85%
Total Capital to Total Risk Weighted Exposures	12.12%

• 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	60,389	15,097	45,292
Doubtful	64,756	32,378	32,378
Loss	276,067	276,067	-
Total	401,213	323,543	77,670

• NPA Ratios

NPA Ratios	(%)
Gross NPA to Gross Advances	0.26%
Net NPA to Net Advances	0.05%

• Movement in Non Performing Assets

NPR in 000

Particulars	This Quarter	Previous Quarter	Changes(%)
Non Performing Assets (Volumes)	401,213	181,014	121.65%
Non Performing Assets (%)	0.26%	0.13%	109.37%

• 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	2,484,327	2,221,314	11.84%
Interest Suspense	801,718	627,406	27.78%

• Details of Additional Loan Loss Provision:

NPR in 000

Particulars	14.01.2022
Pass	-
Rescheduled/ Restructured	-
Sub-Standard	-
Doubtful	-
Loss	-
Others	16,464
Total	16,464

• Segregation of Investment Portfolio:

NPR in 000

Particulars	14.01.2022
Held for Trading	-
Held to Maturity	34,114,283
Available for sale	1,786,724
Total Investment	35,901,007