

Disclosure under Basel III

As on 14th January 2024 (2nd Quarter End-Poush of FY 2080/81)

Capital Structure and Capital Adequacy:**• Tier 1 Capital and Breakdown of its Components:**

NPR in '000

Particulars	Amount
Paid up Equity Share Capital	11,767,904
Proposed Bonus Equity Shares	-
Share Premium	238,470
Irredeemable Non- cumulative preference shares	-
Statutory General Reserves	6,350,972
Retained Earnings	2,404,923
Un-audited current year cumulative profit	-
Debenture Redemption Reserve	510,873
Capital Adjustment Reserve	1,116,408
Capital Redemption Reserve	-
Other Free Reserve	87,982
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	(23,215)
Less: Purchase of land & building in excess of limit and unutilized	-
Less: Other Deductions	(120,770)
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	22,333,546

NPR in 000

Particulars	Amount
Cumulative and/or Redeemable Preference Share	-
Subordinated Term Debt	1,600,000
Hybrid Capital Instruments	-
Stock Premium	-
General loan loss provision	2,419,020
Investment Adjustment Reserve	2,691
Assets Revaluation Reserve	-
Exchange Equalization Reserve	58,194
Other Reserves	-
Total (Tier 2) Capital	4,079,905

• Details of Subordinated Term Debt: Debenture

Amount	1068.85 million
10 years Debenture	468.85 million
Interest rate:	8%
Interest Payment frequency:	HALF YEARLY
Eligible Amount for Tier 2 Capital	1600 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)	22,333,546
Supplementary Capital (Tier 2)	4,079,905
Total Capital Fund	26,413,451

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	4,549,946
Claims on Domestic Corporates and Securities Firms	96,603,546
Claims on Regulatory Retail Portfolio & Other Retail Portfolio	20,008,074
Claims secured by residential properties	12,699,187
Claims secured by Commercial real estate	2,082,635
Trust Receipt Loans for Trading Firms	3,386,146
Investment in equity of Institutions	831,119
Lending against Shares(upto Rs.2.5 Million)	181,557
Past due claims	397,133
High Risk claims	14,663,562
Staff Loan Secured by Residential Property	1,545,807
Other Assets/Cash in Transit	13,369,225
Off Balance Sheet Items	23,203,680
Total	193,521,617

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

RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	193,521,617
Risk Weighted Exposure for Operational Risk	9,787,726
Risk Weighted Exposure for Market Risk	574,637
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 3% of gross income SRP 6.4a (7)	2,464,372
Overall risk management policies and procedures are not satisfactory. Add 2% of RWE SRP 6.4a (9)	4,077,680
If desired level of disclosure requirement has not been achieved, Add% of RWE SRP 6.4a (10)	-
Total Risk Weighted Exposures	210,426,032
Total Core Capital to Total Risk Weighted Exposures	10.61%
Total Capital to Total Risk Weighted Exposures	12.55%

• 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	341,448	85,669	255,780
Doubtful	250,173	125,086	125,086
Loss	778,007	778,007	-
Total	1,369,628	988,762	380,866

• NPA Ratios

NPA Ratios	(%)
Gross NPA to Gross Advances	0.77%
Net NPA to Net Advances	0.22%

• Movement in Non Performing Assets

NPR in 000

Particulars	This Quarter	Previous Quarter	Changes(%)
Non Performing Assets (Volumes)	1,369,628	905,498	51.26%
Non Performing Assets (%)	0.77%	0.55%	40.70%

• 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	3,605,775	2,712,509	32.93%
Interest Suspense	1,445,678	759,138	90.44%

• Details of Additional Loan Loss Provision:

NPR in 000

Particulars	14.01.2024
Pass	2,412,328
Watch List	188,221
Rescheduled/ Restructured	-
Sub-Standard	85,669
Doubtful	125,086
Loss	778,007
Others	16,464
Total	3,605,775

• Segregation of Investment Portfolio:

NPR in 000

Particulars	14.01.2024
Held for Trading	-
Held to Maturity	51,566,197
Available for sale	1,962,461
Total Investment	53,528,658