

Disclosure under Basel II

As on Mid Oct 2013 (1st Quarter End-Ashwin 2070 of FY 2070/71)

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

NPR in 000

Particulars	Amount
Paid up Equity Share Capital	1,801,239
Proposed Bonus Equity Shares	-
Share Premium	18,555
Irredeemable Non-cumulative preference shares	-
Statutory General Reserves	1,615,791
Retained Earnings	559,466
Reserve for Deffered Tax	99,453
Un-audited current year cumulative profit	351,094
Debenture Redemption Reserve	46,885
Capital Redemption Reserve	140,000
Capital Adjustment Reserve	367,147
Dividend Equalization Reserves	-
Other Free Reserve	31,226
Total (Tier 1) Capital	5,030,856

NPR in 000

Particulars	Amount
Cumulative and/or Redeemable Preference Share	120,000
Subordinated Term Debt	421,960
Hybrid Capital Instruments	-
General loan loss provision	448,465
Investment Adjustment Reserve	3,476
Assets Revaluation Reserve	-
Exchange Equalization Reserve	24,607
Additional Loan Loss Provision	93,002
Other Reserves	-
Total (Tier 2) Capital	1,111,510

• Details of Subordinated Term Debt: Debenture

Maturity period:	10 YEAR
Interest rate:	8%
Interest Payment frequency:	HALF YEARLY
Amount	468.85 million
Eligible Amount for Tier 2 Capital	421.96 million

Debenture Redemption Reserve is Rs. 46.89 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	120 million

Features :

20% amount of Initial Amount(200 Million) 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)	5,030,856
Supplementary Capital (Tier 2)	1,111,510
Total Capital Fund	6,142,366

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	996,019
Claims on Domestic Corporates and Securities Firms	20,769,690
Claims on Regulatory Retail Portfolio & Other Retail Portfolio	8,210,646
Claims secured by residential properties	2,992,649
Claims secured by Commercial real estate -	3,769,214
Investment in equity of Institutions	27,477
Past due claims	-
High Risk claims	3,020,775
Other Assets	1,655,081
Off Balance Sheet Items	4,670,190
Total	46,111,740

• Total Risk Weight Exposures calculation table:

RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	46,111,740
Risk Weighted Exposure for Operational Risk	4,119,443
Risk Weighted Exposure for Market Risk	171,194
Adjustments under Pillar II	-
Add: 2% of the total RWE due to overall risk management policies and procedures are not satisfactory (6.4 a 7)	1,008,048
Add : 2% of gross income (capital charge) of immediate previous financial year *10	687,630
Total Risk Weighted Exposures	52,098,054
Total Core Capital to Total Risk Weighted Exposures	9.66%
Total Capital to Total Risk Weighted Exposures	11.79%

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

Particulars	Amount	NPR in 000	
		Loan Loss Provision	Net NPL
Non Performing Loans (NPL)	-	-	-
Restructured	-	-	-
Sub-Standard	2,435	2,435	-
Doubtful	4,716	4,716	-
Loss	259,269	259,269	-
Total	266,421	266,421	-

• NPA Ratios

NPA Ratios	(%)
Gross NPA to Gross Advances	0.60%
Net NPA to Net Advances	Nil

• Movement in Non Performing Assets

Particulars	NPR in 000		
	This Quarter	Previous Quarter	Changes(%)
Non Performing Assets (Volumes)	266,421	276,199	-3.54%
Non Performing Assets (%)	0.60%	0.62%	-0.02%

• Write off of Loans and Interest Suspense in the Quarter

NPR in 000

Loan
Interest Suspense

• Movement in Loan Loss Provision and Interest Suspense:

Particulars	NPR in 000		
	This Quarter	Previous Quarter	Changes(%)
Loan Loss Provision	811,872	804,576	0.91%
Interest Suspense	178,573	131,878	35.41%

• Details of Additional Loan Loss Provision:

Particulars	NPR in 000	
	17.10.2013	
Pass	93,511	
Rescheduled/ Restructured	-	
Sub-Standard	1,827	
Doubtful	3,875	
Loss	-	
Total	99,213	

• Segregation of Investment Portfolio:

Particulars	NPR in 000	
	17.10.2013	
Held for Trading	-	
Held to Maturity	11,464,096	
Available for sale	25,849	
Total Investment	11,489,945	