

Disclosure under Basel III

As on July 2018 (4th Quarter End-Ashad 2075 of FY 2074/75)

Capital Structure and Capital Adequacy:

• Tier 1 Capital and Breakdown of its Components:

NPR in 000

Particulars	Amount
Paid up Equity Share Capital	8,026,863
Proposed Bonus Equity Shares	-
Share Premium	238,470
Irredeemable Non- cumulative preference shares	-
Statutory General Reserves	3,196,802
Retained Earnings	1,999,018
Un-audited current year cumulative profit	
Debenture Redemption Reserve	-
Capital Adjustment Reserve	641,310
Capital Redemption Reserve	47,563
Other Free Reserve	125,244
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	(67,247)
Less: Intangible Assests	(25,440)
Less: Purchase of land & building in excess of limit and unutilized	(31,200)
Less: Other Deductions	-
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	14,151,382

NPR in 000

Particulars	Amount
Cumulative and/or Redeemable Preference Share	80,000
Subordinated Term Debt	615,076
Hybrid Capital Instruments	-
Stock Premium	-
General loan loss provision	961,872
Investment Adjustment Reserve	1,453
Assets Revaluation Reserve	-
Exchange Equalization Reserve	30,162
Other Reserves	15,800
Total (Tier 2) Capital	1,704,363

• 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	615.08 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	80 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)	14,151,382
Supplementary Capital (Tier 2)	1,704,363
Total Capital Fund	15,855,745

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	4,229,552
Claims on Domestic Corporates and Securities Firms	47,424,953
Claims on Regulatory Retail Portfolio & Other Retail Portfolio	14512682
Claims secured by residential properties	6,780,534
Claims secured by Commercial real estate -	2792889
Investment in equity of Institutions	80,067
Past due claims	27,377
High Risk claims	13,483,664
Staff Loan Secured by Residential Property	355,462
Other Assets/Cash in Transit	2,259,846
Off Balance Sheet Items	6,955,294
Total	98,902,319

• Total Risk Weight Exposures calculation table:

RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	98,902,319
Risk Weighted Exposure for Operational Risk	6,291,389
Risk Weighted Exposure for Market Risk	635,213
Adjustments under Pillar II	-
ALM policies & practices are not satisfactory, add 1% of net interest income to RWE SRP	-
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)	2,116,578
Overall risk management policies and procedures are not satisfactory. Add 2% of RWE SRP	953,542
If desired level of disclosure requirement has not been achieved, Add% of RWE SRP	-
Total Risk Weighted Exposures	108,899,042
Total Core Capital to Total Risk Weighted Exposures	12.99%
Total Capital to Total Risk Weighted Exposures	14.56%

• 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	23,528	5,882	17,646
Doubtful	5,825	2,913	2,913
Loss	158,363	158,363	-
Total	187,717	167,158	20,559

• NPA Ratios

NPA Ratios	(%)
Gross NPA to Gross Advances	0.20%
Net NPA to Net Advances	0.02%

• Movement in Non Performing Assets

			NPR in 000
Particulars	This Quarter	Previous Quarter	Changes(%)
Non Performing Assets (Volumes)	187,717	204,555	-8.23%
Non Performing Assets (%)	0.20%	0.23%	-13.91%

• Write off of Loans and Interest Suspense in the Quarter		NPR in 000
Loan		-
Interest Suspense		8,573.74

• Movement in Loan Loss Provision and Interest Suspense:

			NPR in 000
Particulars	This Quarter	Previous Quarter	Changes(%)
Loan Loss Provision	1,129,030	1,092,294.56	3.36%
Interest Suspense	203,828	460,572.24	-55.74%

• Details of Additional Loan Loss Provision:

		NPR in 000
Particulars	16.07.2018	
Pass		-
Rescheduled/ Restructured		-
Sub-Standard		-
Doubtful		-
Loss		-
Others		16,464
Total		16,464

• Segregation of Investment Portfolio:

		NPR in 000
Particulars	16.07.2018	
Held for Trading		-
Held to Maturity		15,426,907
Available for sale		77,599
Total Investment		15,504,506