

Disclosure under Basel III

As on 14th Jan 2019 (2nd Quarter End-Poush 2075 of FY 2075/76)

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	3,204,230
Retained Earnings	133,664
Un-audited current year cumulative profit	1,041,824
Debenture Redemption Reserve	-
Capital Adjustment Reserve	641,310
Capital Redemption Reserve	47,563
Other Free Reserve	125,614
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	(45,643)
Less: Purchase of land & building in excess of limit and unutilized	(31,200)
Less: Other Deductions	(67,794)
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	13,314,902

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	1,077,459
Investment Adjustment Reserve	1,453
Assets Revaluation Reserve	-
Exchange Equalization Reserve	30,162
Other Reserves	15,800
Total (Tier 2) Capital	1,819,949

• 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)	13,314,902
Supplementary Capital (Tier 2)	1,819,949
Total Capital Fund	15,134,851

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	3,736,228
Claims on Domestic Corporates and Securities Firms	54,015,122
Claims on Regulatory Retail Portfolio & Other Retail Portfolio	15,820,389
Claims secured by residential properties	7,858,182
Claims secured by Commercial real estate -	2900532
Investment in equity of Institutions	823,149
Past due claims	43,684
High Risk claims	11,720,629
Staff Loan Secured by Residential Property	355,462
Other Assets/Cash in Transit	2,805,904
Off Balance Sheet Items	8,503,547
Total	108,582,827

• Total Risk Weight Exposures calculation table:

RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	108,582,827
Risk Weighted Exposure for Operational Risk	7,453,830
Risk Weighted Exposure for Market Risk	795,894
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)	1,194,400
Overall risk management policies and procedures are not satisfactory. Add 2% of RWE SRP	2,336,651
If desired level of disclosure requirement has not been achieved, Add% of RWE SRP 6.4a (10)	-
Total Risk Weighted Exposures	120,363,602
Total Core Capital to Total Risk Weighted Exposures	11.06%
Total Capital to Total Risk Weighted Exposures	12.57%

• 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	43,838	10,959	32,878
Doubtful	6,467	3,234	3,234
Loss	148,415	148,415	-
Total	198,720	162,608	36,112

• NPA Ratios

NPA Ratios	(%)
Gross NPA to Gross Advances	0.19%
Net NPA to Net Advances	0.00%

• Movement in Non Performing Assets

NPR in 000

Particulars	This Quarter	Previous Quarter	Changes(%)
Non Performing Assets (Volumes)	198,720	210,904	-5.78%
Non Performing Assets (%)	0.19%	0.21%	-7.81%

• Write off of Loans and Interest Suspense in the Quarter

NPR in 000

Loan	-
Interest Suspense	1,396.27

• Movement in Loan Loss Provision and Interest Suspense:

NPR in 000

Particulars	This Quarter	Previous Quarter	Changes(%)
Loan Loss Provision	1,240,067	1,249,028	-0.72%
Interest Suspense	569,313	368,524	54.48%

• Details of Additional Loan Loss Provision:

NPR in 000

Particulars	14.01.2019
Pass	-
Rescheduled/ Restructured	-
Sub-Standard	-
Doubtful	-
Loss	-
Others	16,464
Total	16,464

• Segregation of Investment Portfolio:

NPR in 000

Particulars	14.01.2019
Held for Trading	-
Held to Maturity	17,999,581
Available for sale	819,349
Total Investment	18,818,929