

**Basel II Disclosure as required by  
Capital Adequacy Framework**

**The extract of the Basel II reporting of the Second quarter (2069/70) has been exhibited below:**

**1. Capital Structure and Capital Adequacy**

▪ **Tier 1 Capital and a breakdown of its components: (Rs. In '000)**

|                              |   |                  |
|------------------------------|---|------------------|
| <b>Core Capital (Tier 1)</b> |   | <b>3,061,716</b> |
| a.                           | Paid up Equity Share Capital              | 2,009,396        |
| b.                           | Share Premium                             | 35,870           |
| c.                           | Statutory General Reserves                | 1,118,739        |
| d.                           | Retained Earnings                         | -345,995         |
| e.                           | Un-audited current year cumulative profit | 171,706          |
| f.                           | Capital Adjustment Reserve                | 72,000           |

▪ **Tier 2 Capital and a breakdown of its components: (Rs. In '000)**

|                                       |                                       |                |
|---------------------------------------|---------------------------------------|----------------|
| <b>Supplementary Capital (Tier 2)</b> |                                       | <b>223,739</b> |
| a.                                    | General Loan Loss Provision           | 159,781        |
| b.                                    | Investment Adjustment Reserve         | 2,673          |
| c.                                    | Exchange Equalization Reserve         | 61,285         |
| d.                                    | Other Reserves (Deferred Tax Reserve) | -              |

▪ **Detailed Information About Subordinated Term Debts**

Bank does not have subordinated term debts.

▪ **Deductions from Capital (Rs. In '000)**

|                                |  |                 |
|--------------------------------|--|-----------------|
| <b>Deductions From Capital</b> |  | <b>-846,334</b> |
| a.                             | Miscellaneous expenditure not written off                          | -               |
| b.                             | Investment in equity in licensed Financial Institutions            | -               |
| c.                             | Investment in equity of institutions with financial interests      | -84565.31       |
| d.                             | Loans extended to Shareholders holding more than 1% percent shares | -681508.20      |
| e.                             | Land & Building not used since more than 3 Years ( 8.7 chha)       | -80260.00       |

**(In Rs. '000)**

|                                 |                                |                  |
|---------------------------------|--------------------------------|------------------|
| <b>Total Qualifying Capital</b> |                                | <b>2,439,121</b> |
| a.                              | Tier 1 Capital Less Deductions | 2,215,382        |
| b.                              | Tier 2 Capital                 | 223,739          |

▪ **Capital Adequacy Ratio**

|    |  |        |
|----|--|--------|
| a. | Tier 1 Capital to Total Risk Weighted Exposures            | 10.36% |
| b. | Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures | 11.41% |

## 2. Risk Exposures

### ▪ Risk Weighted Exposures for Credit, Market and Operational Risk

(Rs. In '000)

|                                      |   |                   |
|--------------------------------------|---|-------------------|
| <b>Total Risk Weighted Exposures</b> |   | <b>21,384,229</b> |
| a.                                   | Risk Weighted Exposure for Credit Risk                        | 18,753,128        |
| b.                                   | Risk Weighted Exposure for Operational Risk                   | 1,292,174         |
| c.                                   | Risk Weighted Exposure for Market Risk                        | 170,881           |
| Add:                                 |   |                   |
|                                      | 5 % of Total Risk Weighted Exposure as per Supervisory Review | 1,010,809         |
|                                      | 2% of gross income  | 152,324           |
|                                      | 1 % of Net Interest Income                                    | 4,912             |

### ▪ Risk Weighted Exposures under each of 11 Categories of Credit Risk

(Rs. In '000)

|  |  |                   |
|--|--|-------------------|
| <b>Total Risk Weighted Exposures for Credit Risk</b> |  | <b>18,753,128</b> |
| a.   | Claims on government and central Bank                                | -                 |
| b.   | Claims on other official entities                                    | 88,347            |
| c.   | Claims on Banks  | 223,269           |
| d.   | Claims on corporate and securities firms                             | 6,956,099         |
| e.   | Claims on regulatory retail portfolio                                | 2,166,132         |
| f.   | Claims secured by residential properties                             | 321,382           |
| g.   | Claims secured by commercial real estate                             | 160,734           |
| h.   | Past due claims (except for claim secured by residential properties) | 32,452            |
| i.   | High risk claims   | 780,430           |
| j.   | Staff Loan secured by residential properties                         | 186,023           |
| k.   | Other Assets   | 553,620           |
| l.   | Off Balance sheet items  | 7,284,639         |

### ▪ Total Risk Weighted Exposure Calculation Table

(Rs. In '000)

| S.N | Particulars  | Amount     |
|-----|--|------------|
| a.  | Total Risk Weighted Exposure                               | 21,384,229 |
| b.  | Total Core Capital Fund                                    | 2,215,382  |
| c.  | Total Capital Fund (Tier I and Tier II Capital)            | 2,439,121  |
| d.  | Tier 1 Capital to Total Risk Weighted Exposures            | 10.36%     |
| e.  | Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures | 11.41%     |

### ▪ Amount of NPA's (Both Gross and Net)

(Amount in Rs.)

| S.N | Particulars      | Gross Amount | Loan loss Provision | Net Amount  |
|-----|------------------|--------------|---------------------|-------------|
| a.  | Restructured/    | 0            | 0                   | 0           |
|     | Reschedule Loan  |              |                     | 0           |
| b.  | Substandard Loan | 28,156,930   | 7,039,233           | 21117697.76 |
| c.  | Doubtful Loan    | 3,100,691    | 1,550,346           | 1550345.605 |

|              |            |                    |                    |                    |
|--------------|------------|--------------------|--------------------|--------------------|
| d.           | Loss Loan  | 410,943,498        | 410,943,498        | 0                  |
| e.           | Additional |                    | 40,248,620         | -40248620.29       |
| <b>Total</b> |            | <b>442,201,120</b> | <b>459,781,697</b> | <b>-17,580,577</b> |

▪ **NPA Ratios**

| S.N. | Ratios                      | %    |
|------|-----------------------------|------|
| a.   | Gross NPA to Gross Advances | 3.57 |
| b.   | Net NPA to Net Advances     | 0.19 |

▪ **Movement of Non - Performing Assets**

(Amount in Rs.)

| Particulars                 | Current Quarter | Previous Quarter | Change (%) |
|-----------------------------|-----------------|------------------|------------|
| Non Performing Assets (NPA) | 442201119.7     | 454810932.8      | -0.03      |

▪ **Write off of Loans and Interest Suspense during the Quarter**

There is no any write off of loans and interest suspense during the quarter.

▪ **Movements in Loan Loss Provisions and Interest Suspense**

(Amount in Rs.)

| Particulars         | Current Quarter | Previous Quarter | Change (%) |
|---------------------|-----------------|------------------|------------|
| Loan Loss Provision | 579,314,489     | 582,998,763      | -1%        |
| Interest Suspense   | 354,877,021     | 306,195,836      | 16%        |

▪ **Details of additional loan loss provisions**

There is not additional loan loss provision during the quarter

▪ **Investment Portfolio**

(Amount in Rs.)

| Particulars                            | Held To Maturity     | Available for Sale |
|--|----------------------|--------------------|
| Investment on Treasury Bill            | 3,609,931,383        |                    |
| Investment on Bond                     | 356,486,385          |                    |
| Placement (USD & EURO)                 | 72,001,950.00        |                    |
| <b>Investment on Shares</b>            |                      |                    |
| Rural Development Bank                 |                      | 6,500,000          |
| Rural Micro-Finance Development Center |                      | 4,531,000          |
| Insurance Companies                    |                      | 64,250,000         |
| Others                                 |                      | 25,676,670         |
| <b>TOTAL</b>                           | <b>4,038,419,718</b> | <b>100,957,670</b> |