

7.12 MACRO PRUDENTIAL DISCLOSURE

Financial Risk management of the Bank (Qualitative)

i. Capital Planning

The Bank has a process for assessing and monitoring its Capital Adequacy Ratio in line with the Bank's risk appetite while maintaining its capital in line with the statutory requirements. The monitoring process provides an assurance that the Bank has adequate capital to support all risks inherent to its business and appropriate capital buffer based on its business profile. The Bank identifies, assesses and manages comprehensively all risks that it is exposed to through its governance and control practices, risk management and an elaborate process for capital calculation and planning, through its annual planning processes.

The Bank has a structured internal framework to assess its capital requirements which involves the identification and evaluation of all significant risks that the Bank faces, which may have a material impact on its financial position. The Bank also implemented a comprehensive Internal Capital Adequacy Assessment Process (ICAAP) that will guide the Bank in setting the process for assessment of the capital adequacy to support its current and future business activities/risks and built a model on the capital projections/requirements for a period of up to 3 years.

ii. Credit Risk Management

The Bank has an approved Credit risk policy document governing credit risk identification, assessment and monitoring. Credit scoring is key for assessing the credit risk arising from facilities. Credit scoring assesses the credit worthiness of borrowers and is indicative of expected losses by undertaking the loan. A rating model consists of a set of factors, which is used to assess the customers' ability to repay the loan based on their inherent credit risk.

Capital requirements

For credit risk capital requirements, ICAAP policy document covers the method to compute the regulatory capital requirements. The Bank however, bases the RMA Prudential regulation 2017 to maintain the minimum CAR of 12.5 percent along with Operation risk capital, based on BIA method.

Credit Risk stress testing

Credit risk stress testing is being conducted semi-annually to ascertain the resilience of Bank under severe but plausible scenarios for the following variables:

- Capital adequacy;
- Liquidity risk;
- Profitability risk;
- Interest rate risk;
- Non-performing assets;
- Concentration risk;
- Sectoral risk etc.;



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iii. Credit risk Provisions for Loans and Advances

For individual impairment any customer with total exposure exceeding Nu.10 million and loan against cash collaterals at customer level is considered as individually significant. Definition of Total exposure = Outstanding amount (Principal + Interest) > 10 million break up of computation of outstanding amount product wise: unsecured portion of the exposure is provided with loss allowances.

Collective Impairment provision is calculated transaction wise based on the pool define as per sector wise classifications. The credit loss provisioning is done for those accounts under stage2 and stage 3 as per the Incurred Loss Model as below.

(Amount in Nu.)

Classifications	December 31, 2020	December 31, 2019
Stage 2	91,523,769.00	40,164,112.80
Stage 3	1,248,222,846.52	632,383,983.72
Total	1,339,746,615.52	672,548,096.52
Individual Impairment	128,761,911.53	127,368,222.25
Total Provision	1,468,508,527.05	799,916,318.77

iv. Methodology for valuation and Management of Collaterals

We take collaterals such as fixed assets, fixed capital, movable capital and machineries, stock and book debts, extension of charges on the securities already being charged to bank and against fixed deposits receipt. The valuation and management of the collaterals is based on the followings:

- Valuation/Estimation of collateral security being offered (Estimated by Real Estate Division of the Bank in case of Housing Loans).
- Place of locations and its feasibility of business.
- Verifications and valuations of available stock and book debt at the time of availing loan.
- Taking ownership certificates and mortgage deed of the collateral being offered against the loan applied and obtaining the comprehensive insurance policy in the joint name of bank and the party.
- Appraising and sanctioning the loan as per the RMA PR and within the prescribed banking norms, taking into consideration the available income source of the party (Margin of Safety, LTI, LTV, Balance Sheet, P&L account and cash flow statement, Stock value, margin of equity, gross block, net block).
- Follow up of loan EMI and Interest, after release of loan as per the recovery policy and procedures of the bank.

v. Collateral management

Collateral management is the method of verifying the status, evaluate the value of collateral in the market and maintain proper track record of collateral transactions, in order to reduce credit risk.

- Taking into account the depreciated value of the collateral securities on a yearly basis during the periodical review of loans till the currency of loan account.



- ii. Securing and continue to have comprehensive insurance for the full value of collateral security, having adjusted the periodical depreciation.

vi. Risk Management Strategy

The main objective of risk management program in the Bank is to bring together, in an integrated and coherent manner three equally critical but potentially conflicting strategies as detailed below:

- a. Overall Corporate strategy;
- b. Risk Management strategy;
- c. Operational excellence.

Each of these demands has impact on the others. Resolving the creative tension between them is the core responsibility of the management committee and Board of Directors of the Bank. The Board of Directors and Senior Management of the Bank is well aware of principles of credit risk, operational risk and market risk and ensure that these risks are identified, assessed, monitored, controlled and mitigated. They also ensure that the bank's risk management framework is subject to effective and comprehensive internal audit by operationally independent, appropriately trained and competent staff.

The Board and Management committee of the bank always strive to balance and harmonize the natural tension between growth and risk objectives that embodies in the corporate strategic plan and the ICAAP policy of the Bank. Ability to effectively fulfil this mandate rests, among other things, on its reputation as an organization of the highest integrity and professionalism.

vii. Risk management governance

In line with clause 62 and 63 of Financial Services Act and clause 11(i) and (ii) of the RMA Corporate Governance regulation 2011, the Bank has instituted a Board Risk Management Committee (BRMC) at Board level and Risk Management Committee (RMC) at management level. While BRMC is chaired by one of the Directors, Chief Executive Officer chairs the RMC. The Risk Management Division is an independent division which directly reports to the CEO. Its charter, Terms of Reference and Rules of Procedures approved by the Board, governs all committees. The Head, Risk management and Risk officers have their clear Term of References and job descriptions under which the division functions.

Risk management is integral to all aspects of the Bank's activities and is the responsibility of all employees. Managers have a particular responsibility to evaluate their risk environment, to put in place appropriate controls and strengthen the three lines of defense and to monitor the effectiveness of those controls. The risk management culture emphasizes careful analysis and management of risks in all business processes.



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Coverage of risk management framework

The Bank's attitude towards its key strategic, financial, people and operational risks is as described below.

Strategic Risks

The Bank's Executives meet regularly to discuss the major initiatives and ensure these initiatives are prioritized appropriately and are managed and reported on a consistent basis. Our Strategy Department is responsible for development of strategic plan for the bank for the next five years.

Operational Risks

The Bank's appetite for specific operational risks is detailed below. Risks are carefully analysed in all the Bank's operational activities, including ensuring that the benefit of the risk control measures exceeds the costs of these measures. Operation risk basically covers; people risk, system risk, process risk and external risk.

Information Technology

Information Technology (IT) risks cover both daily operations and on-going enhancements to the Bank's IT systems. These include:

- **Processing - Prolonged outage of a CBS system**

The Bank has a very low appetite for risks to the availability of systems which support its critical business functions including those which relate to alternate delivery channels, banking operations and financial transactions and inter-bank settlements. System downtime is tracked monthly as KRI and the Bank ensures that it is within the tolerable threshold limit.

- **Security - Cyber-attack on CBS systems or networks**

The Bank has approved IT security policy. It has a very low appetite for threats to its assets arising from external malicious attacks. To address this risk, the Bank aims for strong internal control processes and the implementation of robust technology solutions.

Fraud and Corruption

The Bank has no appetite for any fraud or corruption perpetrated by its employees. The Bank takes all allegations of suspected fraud or corruption, misuse of public properties, abuse of power, very seriously and responds fully and fairly as set out in the Code of Conduct for its employees.

Compliance

The Bank has a fully functional compliance division committed to a high level of compliance with relevant legislations, regulations, industry codes and standards as well as



internal policies and sound corporate governance principles. Identified breaches of compliance will be remedied as soon as practicable. The Bank has no appetite for deliberate or purposeful violations of legislative or regulatory requirements. Composite rating by regulatory is tracked yearly as a KRI for the bank and any deterioration in the rating is taken seriously.

Information Management

The Bank is committed to ensuring that its information is authentic, appropriately classified, properly conserved and managed in accordance with legislative and business requirements. It has a very low appetite for the compromise of processes governing the use of information, its management and publication. The Bank has no appetite for the deliberate misuse of its information. Information transparency is critical for correct communication and bank upholds the principal transparency in terms of sharing the information to its employees, customers and stakeholders.

People and Culture Risks

The Bank's significant people and culture-related risks include:

- **Caliber of People**

The Bank relies on motivated and high-quality employees to perform its functions. It aims to create an environment where employees are empowered to the full extent of their abilities. The Bank has a well-designed succession planning and retention policy to retain and motivate highly qualified employees and give them every opportunity to advance their career in the bank. The appetite for losses to the value of the Bank's collective competencies, knowledge and skills is very low and attrition rate for key position holders is taken seriously.

- **Conduct of People**

The Bank expects employees to conduct themselves with a high degree of integrity, to strive for excellence in the work they perform and the outcomes they achieve, and to promote and protect the public interest. The appetite for behaviours, which do not meet these standards, is very low. The Bank takes any breach of its Code of Conduct seriously.

- **Work Health & Safety (WHS)**

The Bank aims to create a safe working environment for its entire employees, where people are protected from physical or psychological harm. It has a very low appetite for practices or behaviours that lead to staff being harmed while at work. A grievance redressal system has been put in place for the employees to address their issues if any, and resolves it amicably with a minimum reputational damage to the bank and its employees.

Bank's Risk Appetite & ICAAP policy

The objectives of the Internal Capital Adequacy Assessment Process policy are:

- a. To ensure management of internal capital in accordance with the country's regulatory framework and Basel II Pillar I capital requirement guidelines;
- b. To describe the process for identification, assessment, measurement and aggregation of the risk inherent in the Bank's business and operations;



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Disclosures required as per Macro-prudential rules and regulations

Item 1: Tier 1 Capital and Its Sub-components

(Amount in Nu.)			
Sl. No	Particulars	December 31, 2020	December 31, 2019
1.	Total Tier 1 Capital	6,866,174,987.14	6,728,924,921.83
a.	Paid-Up Capital	3,000,000,000.00	3,000,000,000.00
b.	General Reserves (After profit appropriation)	2,189,684,368.40	2,167,805,168.84
c.	Share Premium Account	-	-
d.	Retained Earnings	1,731,430,600.24	1,561,119,752.99
	Less:-		
e.	Losses for the Current Year (other Comprehensive Loss)	(54,939,981.50)	-
f.	Buyback of FI's own shares	-	-
g.	Holdings of Tier 1 instruments issued by FIs	-	-

Item 2: Tier 2 Capital and Its Sub-components

(Amount in Nu.)			
Sl. No	Particulars	December 31, 2020	December 31, 2019
1.	Tier II Capital	292,253,233.84	1,181,460,827.39
a.	Capital Reserve	-	-
b.	Fixed Asset Revaluation Reserve	-	-
c.	Exchange Fluctuation Reserve (After Profit Appropriation)	292,253,233.84	256,931,397.83
d.	Investment Fluctuation Reserve	-	-
e.	Research & Development Reserve	-	-
f.	General Provision	-	-
g.	Capital Grants	-	-
h.	Subordinated Debt	-	-
j.	Profit for the Year (After trf to Exchange Fluction reserve & General Reserve)	-	924,529,429.56



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Item 3: Risk Weighted Assets

(Amount in Nu.)

Sl.No	Assets	Risk Weight %	December 31, 2020		December 31, 2019	
			Balance Sheet Amount*	Risk Component	Balance Sheet Amount#	Risk Component
1.	Zero-Risk Weighted Assets	0%	31,875,320,826.07	-	15,211,985,123.63	-
2.	20% Risk Weighted Assets	20%	4,923,042,096.21	984,608,419.24	7,206,354,951.90	1,441,270,990.38
3.	50% Risk Weighted Assets	50%	499,136,937.15	249,568,468.58	565,571,560.55	282,785,780.28
4.	100% Risk Weighted Assets	100%	48,651,962,108.92	48,651,962,108.92	47,137,084,235.27	47,137,084,235.27
5.	150% Risk Weighted Assets	150%	1,910,972,749.37	2,866,459,124.05	760,454,654.59	1,140,681,981.89
6.	200% Risk Weighted Assets	200%				-
7.	250% Risk Weighted Assets	250%				-
8.	300% Risk Weighted Assets	300%				-
	Grand Totals		87,860,434,717.72	52,752,598,120.79	70,881,450,525.95	50,001,822,987.81

* includes total assets of Nu. 87,186,346,343.21 and Contingent Liabilities of Nu.674,088,374.51

includes total assets of Nu. 69,548,960,927.46 and Contingent Liabilities of Nu.1,332,489,598.38



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Item 4: Capital Adequacy Ratios

(Amount in Nu.)

Sl. No	Particulars	December 31, 2020	December 31, 2019
1.	Tier 1 Capital	6,866,174,987.14	6,728,924,921.83
a.	<i>Of which Counter-Cyclical Capital Buffer (CCyB) (If applicable)</i>		-
b.	<i>Of which Sectoral Capital Requirements (SCR) (If applicable)</i>		-
i.	Sector 1		-
ii.	Sector 2		-
iii.	Secotr 3		-
2.	Tier 2 Capital	292,253,233.84	1,181,460,827.39
3.	Total qualifying Capital	7,158,428,220.98	7,910,385,749.22
4.	Core CAR	12.21%	13.46%
a.	<i>Of which CCyB (If applicable) expressed as % of RWA</i>		-
b.	<i>Of which SCR (If applicable) expressed as % of Sectoral RWA</i>		-
i.	Sector 1		-
ii.	Sector 2		-
iii.	Secotr 3		-
5.	BIA	3,458,909,110.49	3,076,240,704.14
6.	CAR	12.73%	14.90%
7.	Leverage Ratio	7.81%	9.49%

Item 5: Loans (Gross including Bills) and NPL by Sectoral Classification

(Amount in Nu.)

Sl. No	Sector	December 31, 2020		December 31, 2019	
		Total Loans*	NPL	Total Loans#	NPL
a.	Agriculture	212,638,569.28	22,870,760.11	211,766,020.93	12,748,697.46
b.	Manufacturing/Industry	5,424,876,149.33	112,794,548.08	4,449,685,036.21	26,120,420.23
c.	Service & Tourism	12,930,882,163.25	277,488,043.74	12,197,658,795.86	30,902,442.90
d.	Trade & Commerce	2,760,330,059.20	758,341,139.96	2,753,158,596.19	296,043,387.13
e.	Housing	15,536,832,839.73	1,088,428,861.87	14,221,677,516.20	668,111,825.28
f.	Transport	1,780,856,945.33	783,598,495.13	1,885,365,003.85	454,266,840.84
g.	Loans to Purchase Securities	296,725,257.40	667,084.46	297,994,103.97	528,903.13
h.	Personal Loan	783,398,602.37	207,008,207.30	844,381,350.93	172,385,974.13
i.	Education Loan	686,500,996.90	92,623,824.88	711,652,394.31	77,196,886.26
j.	Loan against Term Deposits	166,739,477.16	2,884,302.05	346,575,982.40	
k.	Loans to FI (s)	3,436,084.98		3,436,084.98	-
l.	Infrastructure Loans			-	-
m.	Staff Loans (incentives)	336,772,263.69	4,293,379.47	374,244,700.91	16,378,781.04
n.	Loans to Govt Owned Corporation	3,309,998,142.91		1,771,807,402.05	-
o.	Consumer Loan (GE)	4,926,520,400.00	162,550,714.72	4,629,442,325.14	124,793,415.42
	Total	49,156,507,951.53	3,513,549,361.77	44,698,845,313.93	1,879,477,573.82

* includes gross loans and advance of Nu.49,147,702,619.33 and Bills discounted & purchased of Nu.8,805,332.20.

includes gross loans and advance of Nu.44,697,336,248.93 and Bills discounted & purchased of Nu. 1,509,065.00



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Item 6: Loans (Over-drafts and term loans) by type of counter- party

(Amount in Nu.)

Sl. No	Counter Party	December 31, 2020	December 31, 2019
1.	Overdrafts	7,053,701,248.91	6,701,186,226.84
a.	Government	-	-
b.	Government Corporations	893,462,255.05	147,150,427.65
c.	Public Companies	524,694,369.65	427,298,758.16
d.	Private Companies	4,981,270,312.71	5,442,930,650.16
e.	Individuals	650,838,226.52	680,370,305.89
f.	Commercial Banks	-	-
g.	Non-Bank Financial Institutions	3,436,084.98	3,436,084.98
2.	Term Loans	42,087,978,343.57	37,979,513,776.01
a.	Government	-	-
b.	Government Corporations	2,416,535,887.86	1,624,656,974.40
c.	Public Companies	408,156,103.66	343,399,401.75
d.	Private Companies	13,185,041,718.56	11,081,157,822.21
e.	Individuals	26,078,244,633.49	24,930,299,577.65
f.	Commercial Banks	-	-
g.	Non-Bank Financial Institutions	-	-
	Total	49,141,679,592.48	44,680,700,002.85
	Credit Cards	6,023,026.85	16,636,246.08
	Gross Loans and Advances	49,147,702,619.33	44,697,336,248.93
	Bills	8,805,332.20	1,509,065.00
	Total Loan Outstanding	49,156,507,951.53	44,698,845,313.93



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Item 7: Assets (net of provisions) and Liabilities by Residual Maturity

December 31, 2020	On Demand	1-30 days	31-90 days	91-180 days	181-270 days	271-365 days	Over 1 year	TOTAL
Cash in hand	1,337,101,629.61	-	-	-	-	-	-	1,337,101,629.61
Gov't Securities	-	-	997,548,100.00	-	-	-	987,999,000.00	1,985,547,100.00
Investment securities	-	157,550,000.00	-	-	-	-	1,823,412,905.95	1,980,962,905.95
Loans & advances to banks	-	1,046,780,000.00	700,000,000.00	-	-	82,196,800.00	-	1,828,976,800.00
Loans & advances to customers	510,370,718.61	159,278,422.62	2,129,630,068.18	1,406,351,140.06	1,464,459,317.23	872,425,062.18	40,940,115,302.29	47,482,630,031.17
Other assets	-	31,225,640,311.37	-	-	-	-	1,345,487,564.95	32,571,127,876.32
TOTAL ASSETS	1,847,472,348.22	32,589,248,733.99	3,827,178,168.18	1,406,351,140.06	1,464,459,317.23	954,621,862.18	45,097,014,773.19	87,186,346,343.05
Amounts owed to other banks	25,387,554.27	-	-	-	-	-	-	25,387,554.27
Demand deposits	25,319,426,479.26	-	-	-	-	-	-	25,319,426,479.26
Savings deposits	24,979,838,092.88	-	-	-	-	-	-	24,979,838,092.88
Time deposits	228,638,110.80	933,169,457.69	2,155,037,200.41	1,813,186,295.74	2,071,870,983.31	1,047,282,452.36	19,044,723,372.39	27,293,907,872.70
Bonds & other negotiable instruments	-	-	-	-	-	-	-	-
Other liabilities	-	2,143,108,342.81	-	-	-	-	7,424,678,001.13	9,567,786,343.94
TOTAL LIABILITIES	50,553,290,237.21	3,076,277,800.50	2,155,037,200.41	1,813,186,295.74	2,071,870,983.31	1,047,282,452.36	26,469,401,373.52	87,186,346,343.05
Assets/Liabilities	0.04	10.59	1.78	0.78	0.71	0.91	1.70	1.00
Net Mismatch in each Time Interval	(48,705,817,888.99)	29,512,970,933.49	1,672,140,967.77	(406,835,155.68)	(607,411,666.08)	(92,660,590.18)	18,627,613,399.66	-
Cumulative Net Mismatch	(48,705,817,888.99)	29,512,970,933.49	31,185,111,901.26	30,778,276,745.58	30,170,865,079.50	30,078,204,489.32	48,705,817,888.99	48,705,817,888.99



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December 31, 2019	On Demand	1-30 days	31-90 days	91-180 days	181-270 days	271-365 days	Over 1 year	TOTAL
Cash in hand	975,987,241.81	-	-	-	-	-	-	975,987,241.81
Gov't Securities	-	3,688,165,100.00	-	-	-	-	-	3,688,165,100.00
Investment securities	-	-	-	-	-	-	2,350,416,688.56	2,350,416,688.56
Loans & advances to banks	1,000,000,000.00	2,312,406,350.00	1,150,000,000.00	-	-	-	-	4,462,406,350.00
Loans & advances to customers	462,658,170.58	116,833,545.77	1,658,776,164.06	2,010,302,746.23	1,835,965,307.41	520,368,473.96	37,185,133,606.26	43,790,038,014.27
Other assets	-	12,859,842,814.72	199,058,269.00	-	-	-	1,223,046,449.04	14,281,947,532.77
TOTAL ASSETS	2,438,645,412.39	18,977,247,810.49	3,007,834,433.06	2,010,302,746.23	1,835,965,307.41	520,368,473.96	40,758,596,743.86	69,548,960,927.46
Amounts owed to other banks	26,774,191.45	-	-	-	-	-	-	26,774,191.45
Demand deposits	19,679,187,544.26	-	-	-	-	-	-	19,679,187,544.26
Savings deposits	17,211,605,773.28	-	-	-	-	-	-	17,211,605,773.28
Time deposits	-	3,089,332,485.63	3,662,874,693.24	2,044,590,524.70	2,102,979,377.51	836,305,729.26	10,610,031,529.24	22,346,114,339.58
Bonds & other negotiable instruments	-	-	-	-	-	-	-	-
Other liabilities	-	1,533,050,142.07	-	-	-	-	8,752,228,936.77	10,285,279,078.84
TOTAL LIABILITIES	36,917,567,508.99	4,622,382,627.70	3,662,874,693.24	2,044,590,524.70	2,102,979,377.51	836,305,729.26	19,362,260,466.01	69,548,960,927.46
Assets/Liabilities	0.07	4.11	0.82	0.98	0.87	0.62	2.11	1.00
Net Mismatch in each Time Interval	(34,478,922,096.60)	14,354,865,182.79	(655,040,260.18)	(34,287,778.47)	(267,014,070.10)	(315,937,255.30)	21,396,336,277.86	(0.00)
Cumulative Net Mismatch	(34,478,922,096.60)	14,354,865,182.79	13,699,824,922.61	13,665,537,144.14	13,398,523,074.04	13,082,585,818.74	34,478,922,096.60	34,478,922,096.59



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Item 8: Assets (net of provisions) and Liabilities by Original Maturity

December 31, 2020	On Demand	1-30 days	31-90 days	91-180 days	181-270 days	271-365 days	Over 1 year	TOTAL
Cash in hand	1,337,101,629.61	-	-	-	-	-	-	1,337,101,629.61
Gov't Securities	-	-	-	997,548,100.00	-	-	987,999,000.00	1,985,547,100.00
Investment securities	-	-	-	-	-	-	1,980,962,905.95	1,980,962,905.95
Loans & advances to banks	-	500,000,000.00	200,000,000.00	1,046,780,000.00	-	82,196,800.00	-	1,828,976,800.00
Loans & advances to customers	-	14,828,359.05	1,915,974.32	32,189,156.46	8,349,843.51	764,376,058.68	46,660,970,639.15	47,482,630,031.17
Other assets	-	31,225,640,311.37	-	-	-	-	1,345,487,564.95	32,571,127,876.32
TOTAL ASSETS	1,337,101,629.61	31,740,468,670.42	201,915,974.32	2,076,517,256.46	8,349,843.51	846,572,858.68	50,975,420,110.05	87,186,346,343.05
Amounts owed to other banks	25,387,554.27	-	-	-	-	-	-	25,387,554.27
Demand deposits	25,319,426,479.26	-	-	-	-	-	-	25,319,426,479.26
Savings deposits	24,979,838,092.88	-	-	-	-	-	-	24,979,838,092.88
Time deposits	-	500,000,000.00	200,000,000.00	1,312,775,990.02	320,070,646.91	2,893,104,579.58	22,067,956,656.19	27,293,907,872.70
Bonds & other negotiable instruments	-	-	-	-	-	-	-	-
Other liabilities	-	2,143,108,342.81	-	-	-	-	7,424,678,001.13	9,567,786,343.94
TOTAL LIABILITIES	50,324,652,126.41	2,643,108,342.81	200,000,000.00	1,312,775,990.02	320,070,646.91	2,893,104,579.58	29,492,634,657.32	87,186,346,343.05
Assets/Liabilities	0.03	-	-	1.58	0.03	0.29	1.73	1.00
Net Mismatch in each Time Interval	(48,987,550,496.80)	29,097,360,327.61	1,915,974.32	763,741,266.44	(311,720,803.40)	(2,046,531,720.90)	21,482,785,452.72	0.00
Cumulative Net Mismatch	(48,987,550,496.80)	29,097,360,327.61	29,099,276,301.93	29,863,017,568.37	29,551,296,764.97	27,504,765,044.07	48,987,550,496.80	48,987,550,496.80



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December 31, 2019	On Demand	1-30 days	31-90 days	91-180 days	181-270 days	271-365 days	Over 1 year	TOTAL
Cash in hand	975,987,241.81	-	-	-	-	-	-	975,987,241.81
Gov't Securities	-	-	3,688,165,100.00	-	-	-	-	3,688,165,100.00
Investment securities	-	-	-	-	-	-	2,350,416,688.56	2,350,416,688.56
Loans & advances to banks	-	1,300,000,000.00	1,300,000,000.00	1,862,406,350.00	-	-	-	4,462,406,350.00
Loans & advances to customers	-	22,935,843.89	5,837,587.59	373,156,370.08	54,051,564.70	185,027,400.17	43,149,029,247.84	43,790,038,014.27
Other assets	-	12,859,842,814.72	199,058,269.00	-	-	-	1,223,046,449.04	14,281,947,532.77
TOTAL ASSETS	975,987,241.81	14,182,778,658.61	5,193,060,956.59	2,235,562,720.08	54,051,564.70	185,027,400.17	46,722,492,385.44	69,548,960,927.46
Amounts owed to other banks	26,774,191.45	-	-	-	-	-	-	26,774,191.45
Demand deposits	19,679,187,544.26	-	-	-	-	-	-	19,679,187,544.26
Savings deposits	17,211,605,773.28	-	-	-	-	-	-	17,211,605,773.28
Time deposits	-	1,300,000,000.00	1,650,000,000.00	2,206,933,000.00	1,096,805,750.00	157,792,820.29	15,934,582,769.29	22,346,114,339.58
Bonds & other negotiable instruments	-	-	-	-	-	-	-	-
Other liabilities	-	1,533,050,142.07	-	-	-	-	8,752,228,936.77	10,285,279,078.84
TOTAL LIABILITIES	36,917,567,508.99	2,833,050,142.07	1,650,000,000.00	2,206,933,000.00	1,096,805,750.00	157,792,820.29	24,686,811,706.06	69,548,960,927.46
Assets/Liabilities	0.03	-	-	1.01	0.05	1.17	1.89	1.00
Net Mismatch in each Time Interval	(35,941,580,267.18)	11,349,728,516.54	3,543,060,956.59	28,629,720.08	(1,042,754,185.30)	27,234,579.88	22,035,680,679.39	(0.00)
Cumulative Net Mismatch	(35,941,580,267.18)	11,349,728,516.54	14,892,789,473.13	14,921,419,193.21	13,878,665,007.91	13,905,899,587.79	35,941,580,267.18	35,941,580,267.17



Item 9: Assets and Liabilities by time-to-re-pricing

December 31, 2020	Time to re-pricing				Non-interest bearing	Total
	Assets	0-3 months	3-6 months	6-12 months		
Cash and Balances with Banks	-	-	-	-	32,010,083,164.10	32,010,083,164.10
Treasury Bills	-	-	-	987,999,000.00	-	987,999,000.00
Loans and Advances	4,546,059,209.41	1,406,351,140.06	2,419,081,179.41	40,940,115,302.29	-	49,311,606,831.18
Investment Securities	157,550,000.00	-	-	2,414,735,100.00	406,225,905.95	2,978,511,005.95
Other Assets	-	-	-	-	1,898,146,341.83	1,898,146,341.83
Total financial assets	4,703,609,209.41	1,406,351,140.06	2,419,081,179.41	44,342,849,402.29	34,314,455,411.88	87,186,346,343.05
Liabilities						
Deposits	28,296,682,861.78	1,813,186,295.74	3,119,153,435.67	19,044,723,372.39	25,344,814,033.53	77,618,559,999.11
Borrowings	-	-	-	-	-	-
Other Liabilities	-	-	-	-	9,567,786,343.82	9,567,786,343.83
Total financial liabilities	28,296,682,861.78	1,813,186,295.74	3,119,153,435.67	19,044,723,372.39	34,912,600,377.47	87,186,346,343.05
Total interest Re-pricing gap	(23,593,073,652.37)	(406,835,155.68)	(700,072,256.26)	25,298,126,029.90	(598,144,965.59)	-



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December 31, 2019	Time to re-pricing				Non-interest bearing	Total
	Assets	0-3 months	3-6 months	6-12 months		
Cash and Balances with Banks	-	-	-	-	13,510,423,984.52	13,510,423,984.52
Treasury Bills	3,688,165,100.00	-	-	-	-	3,688,165,100.00
Loans and Advances	6,700,674,230.41	2,010,302,746.23	2,356,333,781.37	37,185,133,606.26	-	48,252,444,364.28
Investment Securities	-	-	-	1,874,737,000.00	475,679,688.56	2,350,416,688.56
Other Assets	-	-	-	-	1,747,510,790.10	1,747,510,790.10
Total financial assets	10,388,839,330.41	2,010,302,746.23	2,356,333,781.37	39,059,870,606.26	15,733,614,463.19	69,548,960,927.46
Liabilities						
Deposits	23,963,812,952.15	2,044,590,524.70	2,939,285,106.77	10,610,031,529.24	19,705,961,735.71	59,263,681,848.57
Borrowings	-	-	-	-	-	-
Other Liabilities	-	-	-	-	10,285,279,078.89	10,285,279,078.90
Total financial liabilities	23,963,812,952.15	2,044,590,524.70	2,939,285,106.77	10,610,031,529.24	29,991,240,814.60	69,548,960,927.46
Total interest Re-pricing gap	(13,574,973,621.74)	(34,287,778.47)	(582,951,325.40)	28,449,839,077.02	(14,257,626,351.41)	-



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Item 10: Non performing Loans and Provisions

As at December 31, 2020					
Stage	Amount of NPL's (Gross)	Principal Impairment Provision	Interest Impairment Provision	Total Impairment Provision	Net NPL's
Stage 2	1,635,887,642.19	91,523,769.00	1,079,053.95	92,602,822.95	1,543,284,819.24
Stage 3	1,452,849,185.88	1,248,222,846.52	204,290,339.36	1,452,513,185.88	336,000.00
Total Collective Impairment	3,088,736,828.07	1,339,746,615.52	205,369,393.31	1,545,116,008.83	1,543,620,819.24
Individual Impairment*	424,812,533.70	128,761,911.53	-	128,761,911.53	296,050,622.17
Total Impairment (Collective + Individual)	3,513,549,361.77	1,468,508,527.05	205,369,393.31	1,673,877,920.36	1,839,671,441.41
Gross NPL's to Gross Loans					7.15%
Net NPL's to net Loans					3.87%

*Individually impairment includes additional provision (Letter of credit Nu.3,761,991.03 & bank Guarantee Nu.2,978,892.71).

As at December 31, 2019					
Stage	Amount of NPL's (Gross)	Principal Impairment Provision	Interest Impairment Provision	Total Impairment Provision	Net NPL's
Stage 2	990,867,789.75	39,524,054.43	640,058.37	40,164,112.80	950,703,676.95
Stage 3	632,719,983.72	534,796,226.38	97,587,757.34	632,383,983.72	336,000.00
Total Collective Impairment	1,623,587,773.47	574,320,280.81	98,227,815.71	672,548,096.52	951,039,676.95
Individual Impairment	255,889,800.35	127,368,222.25	-	127,368,222.25	128,521,578.10
Total Impairment (Collective + Individual)	1,879,477,573.82	701,688,503.06	98,227,815.71	799,916,318.77	1,079,561,255.05
Gross NPL's to Gross Loans					4.20%
Net NPL's to net Loans					2.47%



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Item 11: Assets and Investments

(Amount in Nu.)

Sl. No	Investment	December 31, 2020	December 31, 2019
1.	Marketable Securities (Interest Earning)		
a.	RMA Securities	997,548,100.00	3,688,165,100.00
b.	RGOB Bonds/Securities	987,999,000.00	
c.	Corporate Bonds	1,580,278,428.95	1,882,736,201.56
d.	Others	-	-
	Sub-Total	3,565,825,528.95	5,570,901,301.56
2.	Equity Investments		
a.	Public Companies	317,169,589.00	388,042,439.00
b.	Private Companies		
c.	Commercial Banks	52,914,708.00	54,950,868.00
d.	Non-Bank Financial Institutions	30,600,180.00	24,687,180.00
<i>Less:</i>			
e.	Specific Provisions	-	-
	Sub-Total	400,684,477.00	467,680,487.00
3.	Fixed Assets		
a.	Fixed Assets (Gross)	1,986,576,347.51	1,823,171,227.95
<i>Less:</i>			
b.	Accumulated Depreciation	641,088,782.56	600,124,778.83
c.	Fixed Assets (Net Book Value)	1,345,487,564.95	1,223,046,449.12



Item 12: Foreign exchange assets and liabilities as at December 31, 2020

(Amount in Nu.)

Currency	Liquid Foreign Currency Holdings (up to one Week)			Long Term Foreign Currency Holdings (More than one Week)			Nu. In Millions	
	Assets in Foreign Currency	Liabilities in Foreign Currency	Net Short Term Position	Assets in Foreign Currency	Liabilities in Foreign Currency	Long Term Net Position	Overall Net Position	Overall Net Position/ Core Capital
	1	2	3=1-2	4	5	6=4-5	7=3+6	8
USD	1,716,552,821.67	1,531,184,552.41	185,368,269.26	42,426,745.79	-	42,426,745.79	227,795,015.05	3.32
SGD	9,211,579.99	25,350,761.44	(16,139,181.45)	-	-	-	(16,139,181.45)	(0.24)
EURO	45,006,036.65	1,025,599.82	43,980,436.83	-	-	-	43,980,436.83	0.64
AUD	159,707,163.51	73,718,523.68	85,988,639.83	-	-	-	85,988,639.83	1.25
CAD	4,404,647.27	-	4,404,647.27	-	-	-	4,404,647.27	0.06
HKD	1,536,737.40	-	1,536,737.40	-	-	-	1,536,737.40	0.02
GBP	19,884,086.07	-	19,884,086.07	-	-	-	19,884,086.07	0.29
CHF	21,545,272.48	260,642.86	21,284,629.62	-	-	-	21,284,629.62	0.31
JPY	47,690,655.11	-	47,690,655.11	-	-	-	47,690,655.11	0.69
DKK	30,908,282.41	-	30,908,282.41	-	-	-	30,908,282.41	0.45
SEK	-	-	-	-	-	-	-	-
NOK	-	-	-	-	-	-	-	-
TOTAL	2,056,447,282.56	1,631,540,080.21	424,907,202.36	42,426,745.79	-	42,426,745.79	467,333,948.15	6.81



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Item 12 (continued): Foreign exchange assets and liabilities as at December 31, 2019

(Amount in Nu.)

Currency	Liquid Foreign Currency Holdings (up to one Week)			Long Term Foreign Currency Holdings (More than one Week)			Nu. In Millions	
	Assets in Foreign Currency	Liabilities in Foreign Currency	Net Short Term Position	Assets in Foreign Currency	Liabilities in Foreign Currency	Long Term Net Position	Overall Net Position	Overall Net Position/ Core Capital
	1	2	3=1-2	4	5	6=4-5	7=3+6	8
USD	1,820,758,094.18	802,202,299.35	1,018,555,794.83	41,072,317.56	-	41,072,317.56	1,059,628,112.39	15.75
SGD	73,903,288.84	381,227,356.16	(307,324,067.32)	-	-	-	(307,324,067.32)	(4.57)
EURO	64,147,730.13	15,717,998.21	48,429,731.92	-	-	-	48,429,731.92	0.72
AUD	71,609,600.03	46,324,594.37	25,285,005.66	-	-	-	25,285,005.66	0.38
CAD	8,447,968.15	-	8,447,968.15	-	-	-	8,447,968.15	0.13
HKD	23,946.75	-	23,946.75	-	-	-	23,946.75	0.00
GBP	14,117,769.29	-	14,117,769.29	-	-	-	14,117,769.29	0.21
CHF	46,897,406.76	504,748.73	46,392,658.03	-	-	-	46,392,658.03	0.69
JPY	32,501,269.65	-	32,501,269.65	-	-	-	32,501,269.65	0.48
DKK	26,269,872.81	-	26,269,872.81	-	-	-	26,269,872.81	0.39
SEK	-	-	-	-	-	-	-	-
NOK	25,936.00	-	25,936.00	-	-	-	25,936.00	0.00
TOTAL	2,158,702,882.59	1,245,976,996.82	912,725,885.78	41,072,317.56	-	41,072,317.56	953,798,203.34	14.17



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Item 13: Geographical Distribution of Exposures

(Amount in Nu.)

Particular	Domestic		India		Other	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Demand Deposits held with other banks	200,000.00	16,493,197.18	499,136,937.15	565,571,560.55	1,773,406,867.26	1,404,539,203.16
Time deposits held with other banks	1,600,000,000.00	3,750,000,000.00	-	-	228,976,800.00	712,406,350.00
Borrowings	-	-	-	-	-	-

Item 14: Credit Risk Exposure by Collateral

(Amount in Nu.)

Sl. No	Particular	December 31, 2020*	December 31, 2019#
1.	Secured Loans	49,141,427,735.68	44,683,765,098.08
a.	Loans secured by physical/real estate collateral	43,387,893,843.53	39,005,856,643.54
b.	Loans Secured by financial collateral	478,108,771.19	664,423,000.67
c.	Loans secured by guarantees	5,275,425,120.96	5,013,485,453.87
2.	Unsecured Loans	15,080,215.85	15,080,215.85
	Total Loans	49,156,507,951.53	44,698,845,313.93

* includes gross loans and advance of Nu.49,147,702,619.33 and Bills discounted & purchased of Nu.8,805,332.20.

includes gross loans and advance of Nu.44,697,336,248.93 and Bills discounted & purchased of Nu. 1,509,065.00.



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Item 15: Earnings Ratios

(Amount in Nu.)

Sl. No	Ratio	31-Dec-20
1.	Interest Income as a percentage of Average Assets	5.52%
2.	Non-interest income as a percentage of Average Assets	0.74%
3.	Operating Profit as a percentage of Average Assets	2.18%
4.	Return on Assets	0.10%
5.	Business (Deposits plus Advances) per employee (Nu. In million)	151.45
6.	Profit per employee (Nu. In million)	0.11

Item 16: Penalties imposed by the RMA in the past period

(Amount in Nu.)

Sl. No	December 31, 2020		December 31, 2019	
	Reason for Penalty Imposed	Penalty Imposed	Reason for Penalty Imposed	Penalty Imposed
1	NIL	NIL	Non-Compliance to RMA PR	300,000.00

Item 17: Customer Complaints

(Amount in Nu.)

Sl. No	Particular	December 31, 2020	December 31, 2019
1.	No. of complaints pending at the beginning of the year	128.00	390.00
2.	No. of complaints received during the year	24,838.00	38,971.00
3.	No. of complaints redressed during the year	24,915.00	39,233.00
4.	No. of complaints pending at the end of the year	51.00	128.00



Item 18: Provision Coverage Ratio (PCR)

(Amount in Nu.)

Year 1	Gross NPL 2	Additional NPL 3	Additional Impairment Provisions 4	Additional Interest in Suspense A/c 5	PCR 6= (4/5)
31.12.2020	3,513,549,361.77	1,634,071,787.95	766,820,023.99	107,141,577.60	7.16
31.12.2019	1,879,477,573.82	834,117,923.81	12,765,914.66	(138,921,163.64)	(0.09)

Item 19: Concentration of Credit and Deposits

(Amount in Nu.)

Sl. No	Particulars	December 31, 2020	December 31, 2019
1.	Total loans to 10 largest borrowers	8,461,548,392.76	6,817,291,670.53
2.	<i>As % of total loans</i>	17.21%	15.25%
3.	Total deposits of the 10 largest depositors	14,006,946,002.47	12,319,441,377.90
4.	<i>As % of total deposits</i>	18.05%	20.79%

Item 20: Exposure to 5 Largest NPL accounts

(Amount in Nu.)

Sl. No	Particulars	December 31, 2020	December 31, 2019
1.	Five largest NPL accounts	982,845,715.50	377,878,260.32
2.	% of Total NPLs	27.97%	23.43%



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