

Note 39: RMA Disclosures

Qualitative Disclosures

Capital Adequacy Ratio

The capital of the bank consists of Tier 1, which forms a core capital and Tier 2, which is a supplementary capital. Tier 1 capital, which constitutes paid up capital; general reserves; share premium; and retained earnings increased by about 7% over previous year (PY increased by 3%). The increase is mainly due to transfer of regulatory requirements to general reserves and residual profit after appropriation.

The Tier 2 capital consists of Exchange Fluctuation Reserve, Research and Development Fund, General Provisions and Subordinated Debts. Despite increase in the general provision by 10% and regulatory transfer to foreign exchange reserves and transfer to bond redemption reserves, Tier 2 capital marginally increased by 1.88% (PY increased by 2.39 %) because of redemption of Subordinated Debt amounting of Nu. 350 million in 2018.

The capital adequacy ratio as on the reporting date stands at 21.72% as compared to 22.22%, in the previous year.

Non-performing Loans & Provisioning

Loans and advances of the Bank has been classified under non-performing as per the definition provided in section 4.4 of the RMA Prudential Regulation 2017. In the current year, the gross NPL stands at 5.62% and net NPL stands at 0.65% as against 5.49% and 0.35% in the previous year. The gross non-performing loan has increased by 2.46% as against the decreased of 21% in the previous period.

General provisions of 1% and 1.5% are allocated against exposures classified under Standard and Watch respectively. Specific provisions of 20%, 50% and 100% are provided for term and Overdraft/working capital classified under sub-standard, doubtful and Loss/litigation/suspended respectively. The general provision provided by the Bank has increased by 10% (PY increased by 9%) and specific provision has increased by 5% (PY decreased by 10%) over the previous year.



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Quantitative Disclosure

The disclosures are as per the requirements under section 3.2.2 of Macro-prudential rules and regulations–Disclosure Requirements and the figures are under Local GAP presented in ‘000’ Ngultrum unless specified.

Item 1: Tier 1 Capital and its sub-components

Sl.No		Current Period	COPPY
1	Total Tier 1 Capital		
a	Paid-Up Capital	3,291,936	3,291,936
b	General Reserves	2,728,867	2,544,818
c	Share Premium Account	-	-
d	Retained Earnings	205,665	37,475
Less:-			-
e	Losses for the Current Year		-
f	Buyback of FI's own shares		-
g	Holdings of Tier 1 instruments issued by FIs		3,233

Item 2: Tier 2 Capital and its sub-components

Sl.No		Current Period	COPPY
1	Tier II Capital		
a	Capital Reserve	-	-
b	Fixed Assets Revaluation Reserve	-	-
c	Exchange Fluctuation Reserve	151,217	146,722
d	Investment Fluctuation Reserve	-	-
e	Research and Development Fund	479,000	429,000
f	General Provision	288,146	261,016
g	Capital Grants	-	-
h	Subordinated Debt	500,000	850,000
i	Less: amount of subordinated debt to b	-	294,606
J	Profit for the year	-	-



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Item 3: Risk weighted Assets (Current Year and COPPY)
Current year

Sl.No	Assets	Balance Sheet Amount	Risk Weight %	Risk Weighted Asset
1	Zero-Risk Weighted Assets	5,779,146	0%	-
2	20% Risk Weighted Assets	3,284,247	20%	656,849
3	50% Risk Weighted Assets	684,616	50%	342,308
4	100% Risk Weighted Assets	31,084,899	100%	31,084,899
5	150% Risk Weighted Assets	180,121	150%	270,181
6	200% Risk Weighted Assets	-	200%	-
7	250% Risk Weighted Assets	-	250%	-
8	300% Risk Weighted Assets	-	300%	-
9	Operational Risk			2,643,854

COPPY

Sl.No	Assets	Balance Sheet Amount	Risk Weight %	Risk Weighted Asset
1	Zero-Risk Weighted Assets	9,184,470	0%	-
2	20% Risk Weighted Assets	2,955,786	20%	591,157
3	50% Risk Weighted Assets	526,185	50%	263,092
4	100% Risk Weighted Assets	28,800,656	100%	28,800,656
5	150% Risk Weighted Assets	89,658	150%	134,488
6	200% Risk Weighted Assets	-	200%	-
7	250% Risk Weighted Assets	-	250%	-
8	300% Risk Weighted Assets		300%	-
9	Operational Risk			2,642,910



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Item 4: Capital Adequacy ratios

	Current Period	COPPY
Tier 1 Capital	6,226,468	5,870,996
<i>Of which Counter-cyclical Capital Buffer (CcyB) (if applicable)</i>	-	-
<i>Of which Sectoral Capital Requirements (SCR) (if applicable)</i>	-	-
Sector 1	-	-
Sector 2	-	-
Sector 3	-	-
Tier 2 Capital	1,418,364	1,392,133
Total Qualifying capital	7,601,798	7,205,630
Core CAR	17.79%	18.10%
<i>Of which CcyB (if applicable) expressed as % of RWA</i>	-	-
<i>Of which SCR (if applicable) expressed as % of Sectoral RWA</i>	-	-
Sector 1	-	-
Sector 2	-	-
Sector 3	-	-
CAR	21.72%	22.22%
Leverage Ratio	15.18%	14.13%

Item 5: Loans and NPL by Sectoral Classification

S.No	Sector	Current Period		COPPY	
		Total Loans	NPL	Total Loans	NPL
a.	Agriculture	48,356	444	428	428
b.	Manufacturing/Industry	4,592,855	528,518	4,729,338	307,896
c.	Service & Toursim	5,268,387	156,790	4,435,917	195,938
d.	Trade & Commerce	6,632,749	663,573	5,938,191	626,619
e.	Housing	8,267,205	151,061	7,233,959	184,298
f.	Transport	1,809,309	57,861	1,515,884	54,840
g.	Loans to Purchase Securities	56,043	-	55,317	-
h.	Personal Loan/LDCL/CC	970,841	72,148	1,052,540	84,157
i.	Education Loan	-	-	-	-
j.	Loan Against Term Deposit	117,410	-	154,892	306
k.	Loans to FI (s)	499,300	-	735,766	-
l.	Infrastructure Loan	-	-	-	-
m.	Staff Loan (incentive)	321,201	3,744	366,012	7,359
n.	Loans to Govt. Owned Corporation	420,435	-	469,325	-
o.	Consumer Loan (GE)	-	-	-	-
p.	Others	69,437	232	35,754	4,397
	Total	29,073,528	1,634,371	26,723,323	1,466,237



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

S.No	Counter- party	Current Period	COPPY
1	Overdrafts	7,402,927	7,180,795
a.	Governments	-	-
b.	Governments Corporation	-	-
c.	Public Companies	1,951	18,371
d.	Private Companies	6,858,583	6,283,966
e.	Individuals	43,093	142,693
f.	Commercial Banks	-	-
g.	Non-Bank Financial Institutions	499,300	735,766
2	Term Loans	21,670,601	19,542,528
a.	Governments	221	273
b.	Governments Corporation	-	-
c.	Public Companies	474,167	469,325
d.	Private Companies	7,182,593	6,770,365
e.	Individuals	14,013,326	12,302,213
f.	Commercial Banks	293	351
g.	Non-Bank Financial Institutions	-	-



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

As of period ending 31.12.2018	On demand	1-30 days	31- 90 days	91- 180 days	181- 270 days	271- 365 days	Over 1 year	Total
Cash in hand	6,329,347	-	-	-	-	-	-	6,329,347
Govt. Securities	-	-	996,630	-	-	-	-	996,630
Investment securities	-	1,066,103	357,502	553,477	-	354,061	239,748	2,570,891
Loans & advances to banks	-	-	-	-	-	-	-	-
Loans & advances to customers	-	536,695	1,188,671	1,634,891	1,378,754	1,990,745	20,889,521	27,619,278
Other assets	820	499	65,811	109	-	13,756	1,057,158	1,137,153
TOTAL	6,330,167	1,602,299	2,608,614	2,188,476	1,378,754	2,358,562	22,186,427	38,653,299
Amounts owed to other banks ***	256,487	641,079	852,040	845,157	-	29,509	-	2,624,271
Demand deposits	4,052,138	-	-	-	-	-	-	4,052,138
Savings deposits	7,778,737	-	-	-	-	-	-	7,778,737
Time deposits	894	137,558	503,975	2,101,406	1,116,323	852,356	10,995,469	15,707,981
Bonds & other negotiable instruments	-	-	-	-	-	-	522,027	522,027
Other liabilities	150,251	660,259	12,600	17,254	14,744	19,985	7,093,052	7,968,145
TOTAL	12,238,507	1,438,895	1,368,614	2,963,817	1,131,067	901,850	18,610,548	38,653,299
Assets/Liabilities	0.5	1.1	1.9	0.7	1.2	2.6	1.2	1.0
Net Mismatch in each Time Interval	(5,908,340)	163,404	1,240,000	(775,341)	247,687	1,456,712	3,575,879	(0)
Cumulative Net Mismatch	(5,908,340)	(5,744,937)	(4,504,937)	(5,280,278)	(5,032,591)	(3,575,879)	(0)	(0)



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Assets (net of provisions) and Liabilities by Residual Maturity (COPPY)

As of period ending 31.12.2017	On demand	1-30 days	31- 90 days	91- 180 days	181- 270 days	271- 365 days	Over 1 year	Total
Cash in hand	5,328,649	-	-	-	-	-	-	5,328,649
Govt. Securities	-	-	3,996,570	-	-	-	-	3,996,570
Investment securities	-	2,112,753	51,165	754,332	-	-	239,748	3,157,998
Loans & advances to banks	-	-	-	-	-	-	-	-
Loans & advances to customers	(314)	380,638	864,149	1,479,160	1,808,390	2,565,437	18,248,970	25,346,431
Other assets	87	296	161,768	100	-	9,381	788,353	959,985
TOTAL	5,328,422	2,493,687	5,073,651	2,233,592	1,808,390	2,574,818	19,277,071	38,789,632
Amounts owed to other banks ***	494,754	429,710	297,806	571,853	171,207	-	1,207	1,966,537
Demand deposits	6,353,479	-	-	-	-	-	-	6,353,479
Savings deposits	7,101,008	-	-	-	-	-	-	7,101,008
Time deposits	2,042	754,094	2,856,011	654,876	2,316,498	758,354	7,273,855	14,615,730
Bonds & other negotiable instruments	-	-	-	-	-	354,373	522,027	876,400
Other liabilities	223,196	926,877	9,174	15,700	17,858	26,239	6,657,433	7,876,477
TOTAL	14,174,479	2,110,681	3,162,992	1,242,428	2,505,563	1,138,965	14,454,523	38,789,632
Assets/Liabilities	0.4	1.2	1.6	1.8	0.7	2.3	1.3	1.0
Net Mismatch in each Time Interval	(8,846,057)	383,005	1,910,659	991,163	(697,173)	1,435,853	4,822,549	0
Cumulative Net Mismatch	(8,846,057)	(8,463,052)	(6,552,393)	(5,561,229)	(6,258,402)	(4,822,549)	0	0



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

As of period ending 31.12.2018	On demand	1-30 days	31- 90 days	91- 180 days	181- 270 days	271- 365 days	Over 1 year	Total
Cash in hand	6,329,347	-	-	-	-	-	-	6,329,347
Govt. Securities	-	-	996,630	-	-	-	-	996,630
Investment securities	-	-	256,417	351,068	1,369,597	-	593,809	2,570,891
Loans & advances to banks	-	-	-	-	-	-	-	-
Loans & advances to customers	-	69,205	71,993	175,543	58,470	804,760	26,439,307	27,619,278
Other assets	820	499	65,811	109	-	13,756	1,057,158	1,137,153
TOTAL	6,330,167	68,705	1,390,851	526,719	1,428,067	818,516	28,090,274	38,653,299
Amounts owed to other banks ***	256,487	200,894	-	1,118,983	1,017,112	29,509	1,286	2,624,271
Demand deposits	4,052,138	-	-	-	-	-	-	4,052,138
Savings deposits	7,778,737	-	-	-	-	-	-	7,778,737
Time deposits	-	-	-	500,147	144,377	932,988	14,130,468	15,707,981
Bonds & other negotiable instruments	-	-	-	-	-	-	522,027	522,027
Other liabilities	150,251	654,158	717	2,138	615	8,746	7,151,519	7,968,145
TOTAL	12,237,613	855,053	717	1,621,269	1,162,104	971,243	21,805,300	38,653,299
Assets/Liabilities	1	0	1,939	0	1	1	1	1
Net Mismatch in each Time Interval	(5,907,446)	(786,347)	1,390,134	(1,094,550)	265,963	(152,727)	6,284,974	(0)
Cumulative Net Mismatch	(5,907,446)	(6,693,793)	(5,303,660)	(6,398,209)	(6,132,246)	(6,284,974)	(0)	(0)



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Assets (net of provisions) and Liabilities by Original Maturity (COPPY)

As of period ending 31.12.2017	On demand	1-30 days	31- 90 days	91- 180 days	181- 270 days	271- 365 days	Over 1 year	Total
Cash in hand	5,328,649	-	-	-	-	-	-	5,328,649
Govt. Securities	-	-	-	3,996,570	-	-	-	3,996,570
Investment securities	-	-	196,105	2,318,158	403,986	-	239,748	3,157,998
Loans & advances to banks	-	-	-	-	-	-	-	-
Loans & advances to customers	(314)	25,065	62,350	93,772	77,781	902,922	24,184,855	25,346,431
Other assets	87	296	161,768	100	-	9,381	788,353	959,985
TOTAL	5,328,422	25,361	420,222	6,408,600	481,767	912,303	25,212,956	38,789,632
Amounts owed to other banks ***	494,754	-	-	611,186	687,116	28,961	144,521	1,966,537
Demand deposits	6,353,479	-	-	-	-	-	-	6,353,479
Savings deposits	7,101,008	-	-	-	-	-	-	7,101,008
Time deposits	-	160,052	-	2,734,146	38,519	1,382,340	10,300,674	14,615,730
Bonds & other negotiable instruments	-	-	-	-	-	-	876,400	876,400
Other liabilities	223,196	923,268	620	932	748	8,485	6,719,229	7,876,477
TOTAL	14,172,437	1,083,319	620	3,346,264	726,382	1,419,786	18,040,824	38,789,632
Assets/Liabilities	0	0	678	2	1	1	1	1
Net Mismatch in each Time Interval	(8,844,015)	(1,057,959)	419,602	3,062,336	(244,615)	(507,483)	7,172,133	0
Cumulative Net Mismatch	(8,844,015)	(9,901,973)	(9,482,371)	(6,420,035)	(6,664,650)	(7,172,133)	0	0



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Item 10: Non-Performing Loans and Provisions

Sl No		Current Period	COPPY
1	Amount of NPLs (Gross)	1,634,371	1,466,237
a.	Substandard	255,793	196,322
b.	Doubtful	65,748	109,835
c.	Loss	1,312,830	1,160,080
2	Specific Provisions	1,291,975	1,228,593
a.	Substandard	50,006	40,961
b.	Doubtful	30,808	52,177
c.	Loss	1,211,161	1,135,455
3	Interest - in -Suspense	162,275	147,986
a.	Substandard	11,687	6,598
b.	Doubtful	4,864	6,323
c.	Loss	145,724	135,065
4	Net NPLs	180,121	89,658
a.	Substandard	194,101	148,763
b.	Doubtful	30,076	51,334
c.	Loss	(44,056)	(110,439)
5	Gross NPLs to Gross Loans	5.62%	5.49%
6	Net NPLs to Net Loans	0.65%	0.35%
7	General Provision	288,146	261,016
a.	Standard	236,413	224,451
b.	Watch	51,733	36,565

Item 11: Assets and Investments

Sl No	Investment	Current Period	COPPY
1	Marketable Securities (Interest Earning)		
a	RMA Securities	994,009	3,993,591
b	RGOB Bonds/Securities	-	-
c	Corporate Bonds	115,332	115,332
d	Others	-	-
	Sub-total	1,109,341	4,108,923
2	Equity Investments		
	Public Companies	119,563	119,563
	Private Companies	-	-
	Commercial Banks	2,500	2,500
	Non-Bank Financial Institutions	733	40,294
Less			
i	Specific Provisions	-	-
3	Fixed Assets		
j	Fixed Assets (Gross)	971,734	810,195
Less			
k	Accumulated Depreciation	280,024	280,818
l	Fixed Assets (Net Book Value)	691,710	529,377



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Item 12: Foreign exchange assets and liabilities (Current Period and COPPY)

Current period

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	486,863	1,175,052	- 688,190	104,622		104,622	- 583,568	- 9.37
SG \$	1,044		1,044			-	1,044	0.02
EURO	65,738	16,441	49,297			-	49,297	0.79
AUD	6,527	2,945	3,582			-	3,582	0.06
CAD	627	-	627	-		-	627	0.01
HKD	81	-	81	-		-	81	0.00
GBP	22,351	0	22,351			-	22,351	0.36
NOK	-	-	-	-		-	-	-
DKK	-	-	-	-		-	-	-
CHF	14	-	14	-		-	14	0.00
JPY	20,410	-	20,410	-		-	20,410	0.33
INR	500,632	4,636	495,996	-		-	495,996	7.97
SEK	-	-	-	-		-	-	-

COPPY

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	- 85,437	2,060,123	- 2,145,561	246,749		246,749	- 1,898,812	- 32.30
SG \$	1,321	-	1,321			-	1,321	0.02
EURO	20,447	19,967	479			-	479	0.01
AUD	4,524	-	4,524			-	4,524	0.08
CAD	13	-	13			-	13	0.00
HKD	410	-	410			-	410	0.01
GBP	19,716	0	19,716			-	19,716	0.34
NOK	8	-	8			-	8	0.00
DKK	163	-	163			-	163	0.00
CHF	65	-	65			-	65	0.00
JPY	5,375	-	5,375			-	5,375	0.09
INR	195,713	18,882	176,830			-	176,830	3.01
SEK			-			-	-	-



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Item 13: Geographical Distribution of Exposures

	Domestic		India		Other	
	Current Period	COPPY	Current Period	COPPY	Current Period	COPPY
Demand Deposits held with other banks	692,464	248,594	414,673	113,686	557,104	69,619
Time deposits held with other banks	2,226,178	2,670,979	-	-	104,965	247,269,702
Borrowings	500,000	850,000	-	-	-	-

Item 14: Credit Risk Exposures by collateral

Sl.No	Particular	Current Period	COPPY
1	Secured Loans	29,073,528	26,723,323
a.	Loans secured by physical/real estate collateral	28,188,569	25,811,667
b.	Loans secured by financial collateral	117,410	154,892
c.	Loans secured by guarantees	767,548	756,765
2	Unsecured Loans	-	-
3	Total Loans	29,073,528	26,723,323

Item 15: Earnings Ratio (%)

Sl.No	Ratio	Current Period	COPPY
1	Interest Income as a percentage of Average Assets	7.75%	7.36%
2	Non-interest income as a percentage of Average Assets	0.52%	0.51%
b.	Operating Profit as a percentage of Average Assets	4.59%	4.28%
c.	Return on Assets	1.90%	2.06%
2	Business (Deposits plus advances) per employee	107,385	111,953
3	Profit per employee	1,356	1,635

Item 16: Penalties imposed by RMA in the past period

Sl.No	Current Period (Year for which the disclosure is being made)		Corresponding period of the previous year (COPPY)	
	Reason for Penalty Imposed	Penalty Imposed	Reason for Penalty Imposed	Penalty Imposed
1	NA	Nil	NA	Nil



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Item 19: Concentration of Credit and Deposits

Sl.No	Particular	End of Current Period	COPPY
1	Total Loans to 10 Largest borrowers	4,764,194	5,322,204
2	<i>As % of total loans</i>	16.39%	19.92%
3	Total deposits of the 10 Largest depositors	13,712,646	13,149,446
4	<i>As % of total deposits</i>	46.90%	43.78%

Item 20: Exposure of 5 Largest NPL accounts

Sl.No	Particular	End of Current Period	COPPY
1	Five Largest NPL Accounts	202,852	171,746
2	<i>As % of total NPLs</i>	12.41%	11.71%



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