



**DRUK PNB BANK LTD**

**CO: THIMPHU**

**BALANCE SHEET**  
**AS ON**  
**31.12.2017**

## INDEPENDENT AUDITORS' REPORT

To The Members of  
DRUK PNB BANK LIMITED  
THIMPU, BHUTAN

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Druk PNB Bank Limited (DPNBL), which comprise the statement of financial position as at December 31, 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory

information. Our audit was conducted in accordance with the standards prescribed by the Institute of Chartered Accountants of Bhutan (ICAB) for the audit of the financial statements of the company. We are not a member of the Chartered Accountants of Bhutan (ICAB) and we are not a member of the Institute of Chartered Accountants of Bhutan (ICAB) and we are not a member of the Institute of Chartered Accountants of Bhutan (ICAB) together with the other explanatory information that are referred to in our audit of the financial statements of the Kingdom of Bhutan, and we have obtained our



other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and the presentation of these financial statements in accordance with the Malaysian Accounting Standards as notified by the Accounting and Auditing Standards Board of Malacca ("AASB") and with the Companies Act of 1965, 1989 and 2016 for such financial period as management determines to be necessary to enable the preparation of financial statements that are true and fair, regardless of whether they are based on cost or value.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the



circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

opinion.

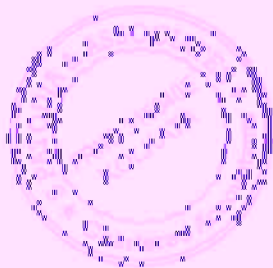
### Report on Other Legal and Regulatory Requirements

As required by the Companies Act of Bhutan, 2016 (The Minimum Audit Examination and Reporting Requirements) issued by the Royal Audit Authority and on the basis of such checks as we considered appropriate and according to information and explanations given to us, we enclose in the Annexure , a statement on the matters specified therein to the extent applicable to the Corporation

As required by the Act, we report that:

- a) we have obtained all the information and explanations which to best of our knowledge and belief were necessary for the purpose of our audit.
- b) in our opinion, proper books of accounts as required by law as stated in the Companies Act of Bhutan, 2016 have been maintained.

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9. In our opinion, the transactions of purchase and sales of goods and services made in pursuance of contracts or arrangements entered into with the directors or their relatives, companies, or firms, in which the directors are, directly or indirectly interested have been made at prices, at which the transactions for similar goods or services have been made with other parties. Such transactions have been adequately disclosed in the financial statements. Such terms and conditions are not prejudicial to the interest of shareholders, and other members of the Bank.

11. According to the records, the Bank is regular in depositing rates and taxes, duties, penalties, fines and other statutory dues with the appropriate authority.

12. There are no undischarged statutory liabilities in respect of rates, taxes, duties, penalties, fines and other statutory dues outstanding at the year-end.

13. No personal expenses of employees or directors have been charged to the Bank accounts. All incurred payments under contractual obligations or in connection with properly accepted business practices.

14. In our examination in the books of debentures, we did not find any, and management of said securities, particularly call / Bank and short term deposits, etc. is reasonably adequate and accurate accounts are not being kept in any interest-bearing accounts.

15. In our opinion and on the basis of available records and information, the notices invited out by the Bank are timely and relevant to the interest of the shareholders of the Bank.

16. The details of remuneration and other payments made to the Chief Executive Officer of the Bank have been duly disclosed in State Bank of Accounts.

17. The Bank has established an effective budgeting control system.

18. In our examination during the year-end of the records, we did not find any irregularities.

19. We do not see any items recommended and our knowledge is concerned, the articles of the Bank have not provided any other specific information which are not made public, restricted to their relatives / friends / associates or other persons which would directly or indirectly benefit themselves.

20. The Bank has maintained the adequate statements and records which it has required laws and regulations for which appropriate rules have been drawn up and clearly written have been made therein.



20. The Bank has not dealt or traded in shares, securities and other investment during the year.
21. The Bank has adequate records for funds collected from depositors and for interest payments.
22. The Bank has complied with the requirements of Financial Service Act of Bhutan, 2011 and any other applicable laws, rules and regulations and guidelines issued by the appropriate Authorities.
23. The requirements of RMA Prudential Regulations, 2016 relating to provisioning for the non-performing assets including loans and advances have been complied with.
24. Recognition of interest income in respect of non-performing assets has been complied with.
25. The assets hypothecated against loans and advances have been physically verified, properly valued, mortgage deed executed and ensured that the assets are free of any prior lien or charges.
26. Proper analysis is carried out before re-phasing / rescheduling of loans.
27. There is a system to ensure that additional loans are not granted to those who have defaulted payments of previous advances.

#### **Computerized Accounting Environment**

1. The Organizational and system development controls and other internal controls are adequate relative to size and nature of computer installations.
2. There are adequate controls in place to ensure that the computer system is secure and data is protected.

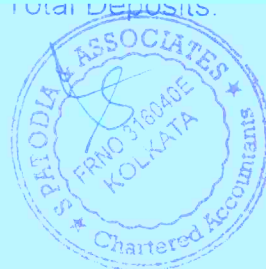


**General**

**1. Going Concern Perspective:**

Based on

massy of India from the Total Deposits.



### 3. Compliance with the Companies Act of Bhutan, 2016.

The Bank has complied with the various provisions of the Companies Act of Bhutan, 2016 concerning conducting of meetings, filing requirements, maintenance of records, issue of shares and all other matters specified in the said Act.

### 4. Conformance to Laws, Rules and Regulations

The audit of the Bank is governed by the Companies Act of Bhutan, 2016, RMA Prudential Regulations, 2016 and Financial Service Act of Bhutan 2011. The scope of audit is limited to examination and review of the financial statements as produced to us by the management.

The Bank has generally complied with the applicable laws, rules and regulations, systems, procedures and practices as informed and explained to us.

For S. Patodia & Associates  
Chartered Accountants (FR No. 316040E)

*S. Patodia*

Satish Patodia (Membership No. 052583)







DRUK PNB BANK LTD.

Statement of Comprehensive Income

Amount in Nu.

As at

Note December 31, 2017 December 31, '2016

Interest and similar income	5	721,343,373.59	642,549,342.69
Interest and similar expense	6	405,581,057.42	344,345,209.93
Net interest income		315,762,322.17	298,204,132.76
Fees and commission income	7	113,242,250.06	109,239,217.02
Fees and commission expense		-	-
Net fee and commission income		113,242,250.06	109,239,217.02
Net trading income		-	-
Net gain (loss) on financial assets and liabilities designated at fair value through profit or loss		-	-
Other operating income	8	14,452,910.54	20,198,474.77
Total operating income		443,457,482.77	427,641,824.55
Provision for Loans (Standard/NPL)	9A	7,348,987.31	17,778,092.90
Impairment losses on financial investments		-	-
<b>Net operating income</b>		<b>436,108,495.46</b>	<b>409,863,731.65</b>
Personnel expenses	10	72,202,364.08	65,609,523.18
Depreciation of property and equipment		12,357,095.05	14,479,511.35
Amortisation of intangible assets		-	-
Other operating expenses	11	71,980,033.67	66,089,091.48
Total operating expenses		156,539,492.80	146,178,126.01
<b>Profit from continuing operations</b>		<b>279,569,002.66</b>	<b>263,685,605.64</b>
Less: Provision- Others	9B	10,649,750.00	-
Profit for the year		268,919,252.66	263,685,605.64
Income tax expense (Current Tax)	12A	2,320,286.21	2,320,286.21
Income tax expense (Deferred and Additional Tax)	12B	21,375,322.13	21,375,322.13
Profit for the year from continuing operations		266,293,644.32	260,000,000.00
Discontinuation operations		-	-
Profit for the year from discontinued operations		-	-
Profit for the year		266,293,644.32	260,000,000.00
Attributable to:			
Equity holders of the parent			
Profit for the year from continuing operations		266,293,644.32	260,000,000.00
Profit for the year from discontinued operations		-	-
Profit for the year attributable to equity holders of the parent		266,293,644.32	260,000,000.00
Non-controlling interest			
Profit for the year from continuing operations		-	-
Profit for the year from discontinued operations		-	-
Profit for the year attributable to non-controlling interests		-	-
Earnings per share	23		
Basic earnings per share		4.09	3.92
Diluted earnings per share		4.05	3.87
Earnings per share from continuing operations		4.05	3.82
Diluted earnings per share from continuing operations		4.09	3.92

Signed in terms of our attached report of even date for S. Patodia & Associates Chartered Accountants (FR No. 316040E)

For & On Behalf of Board of Directors

S. Patodia

Satish Patodia (Membership No. 052583)

Date: 19.03.2018

Place: Thimphu



(Chairman) (Director)





DRUK PNB BANK LTD.

Statement of Cash Flow

Particulars	31-Dec-17	31-Dec-16
	Amounts(Nu.)	Amounts(Nu.)
<b>A. Operating Activities</b>		
Profit before tax from continuing operations	279,569,002.66	263,685,605.64
Profit before tax from discontinued operations	-	-
<b>Profit before tax</b>	<b>279,569,002.66</b>	<b>263,685,605.64</b>
<b>Adjustment for:-</b>		
Change in operating assets	(1,378,059,645.84)	(580,750,603.68)
Change in operating liabilities	3,448,721,403.75	1,428,404,695.08
Change in other operating assets	(45,230,092.14)	(29,195,232.47)
Change in other operating liabilities	70,449,391.51	27,718,121.06
Other non-cash items included in profit before tax	12,357,005.05	14,479,000.00
Net gain/(loss) from investing activities		
Profit on sale of PPE		
Net gain/(loss) from financing activities		
Unrealised foreign exchange Gain on conversion of cash and cash equivalent	(1,049,150.56)	(4,077,172.92)
Income tax paid	(62,973,683.42)	(67,452,640.96)
<b>Net cash from operations</b>	<b>(1,049,150.56)</b>	<b>(4,077,172.92)</b>

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## Significant Accounting Policies for the Year ended 31<sup>st</sup> December 2017

### 1. Basis of Preparation :

These financial statements are general purpose financial statements that have been prepared in accordance with the Accounting Standards for Entities in the Private Sector (ASB Standards) issued by the Institute of Chartered Accountants of India and the related provisions of The Companies Act, 2013.

The financial statements have been prepared on a going concern basis in accordance with the historical cost convention and going concern basis concept as stated elsewhere in the Financial Statements. The preparation of the Financial Statements requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in the process of applying the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses may differ from the actuals.

#### A. Revenue Recognition

(i) Revenue of Income and Expenditure are recognized for an amount that is net of provisions of doubtful and bills of exchange, which is recorded in the same month.

(ii) Interest, Rent, etc. are recorded in gross value before deduction of tax.

(iii) Interest Income on Income is recognized on simple interest method at the prevailing rates with default over 90 days in respect of which the following provisions are made: 0-30 days 0%, 31-60 days 5%, 61-90 days 10%, 91-120 days 15%, 121-150 days 20%, 151-180 days 25%, 181-210 days 30%, 211-240 days 35%, 241-270 days 40%, 271-300 days 45%.

#### B. Depreciation of Fixed Assets

The depreciable assets are valued at the lower of cost or fair value less impairment. The Company uses the Straight Line method for depreciation of its depreciable assets.

The useful life of the depreciable assets is determined on the basis of the nature of the assets and the expected usage of the assets. The depreciation is calculated on the straight line method over the useful life of the assets.

For further details on the accounting policies, please refer to the notes to financial statements.

Subsequent to initial recognition, property, plant and equipment are carried at their depreciated cost less impairment and subsequent impairment losses, if any. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits attributable to those items will flow to the Company and the cost of those items can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits specifically associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and expenditures are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation on property, plant and equipment is computed using the straight line method over the estimated useful lives. Residual value is not depreciated as it has an indefinite useful life unless it is depreciated over a straight line method over the primary term of the lease.

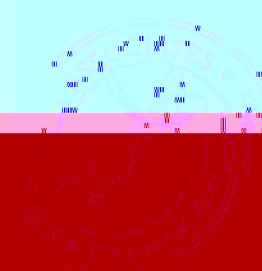
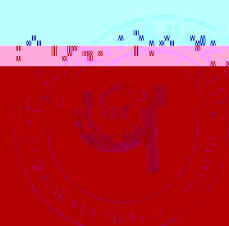
The Company has based an acquisition performed by the United Kingdom, established the estimated useful lives of assets for depreciating its property, plant and equipment as follows:

Buildings (Capitalized Leases)	5 years
Machinery & Structural Plants Other Items	3-8 years
Motor Vehicle	10 years
Machinery & Structural Plants	3-8 years
Office	3-5 years
Computer Software	3-5 years
Administrative Tools	3-5 years

The useful life, residual value and depreciation method are reviewed, and adjusted accordingly, at least at each statement of Financial Position date to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits. Changes in the estimated useful life, residual value and / or depreciation method, if any, is depreciated prospectively over the asset's remaining useful life.

The cost and the accumulated depreciation for property, plant and equipment will be disposed, retired or otherwise disposed off and transferred from the financial statements when the asset is sold, transferred, abandoned or otherwise disposed of.

Management's notes:













As at 31.12.2017      As at 31.12.2016

1,000,000,000.00	1,000,000,000.00
450,000,000.00	450,000,000.00
450,000,000.00	450,000,000.00
10.00	10.00
45,000,000.00	45,000,000.00
45,000,000.00	45,000,000.00

verted during 2014 from Nu. 100 to Nu. 10 as per  
 e holders of Equity Shares are entitled to receive  
 approval of the shareholders in the ensuing Annual

from Nu. 100/- to Nu. 10/- with effect from 1st  
 /- to Nu. 10/-.

omplies with externally imposed capital  
 aximize shareholder value.  
 adequacy requirements of the local regulator  
 sed capital requirements.  
 tory reserve) and retained earnings less loss for  
 Provisions to the extent that they do not exceed  
 5 years and profit for the current year.

On Behalf of Board of Directors

*[Signature]*  
 (Chairman) (Director)



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## NOTES TO ACCOUNTS

## 5. Interest and similar income

Particulars	As at 31-December- 2017	As at 31-December-2016
Interest from Loans & Advances	610,927,928.46	554,391,349.94
Interest from Deposits with Banks in Bhutan	110,415,445.13	88,060,199.28
Other Interest Income		97,793.47
	<b>721,343,373.59</b>	<b>642,549,342.69</b>

Interest income on loans of Nu. 611273904.45 is net of suspended interest of Nu.32373422.49, which conforms to the Prudential Regulation, 2016, issued by Royal Monetary Authority of Bhutan.

## 6. Interest and similar expense

Particulars	As at 31-December- 2017	As at 31-December-2016
Interest paid on Deposits	385,756,393.89	324,436,716.79
Interest paid on Subordinated Term debts	19,824,657.53	19,908,493.14
	<b>405,581,051.42</b>	<b>344,345,209.93</b>

## 10. Personnel expenses

Particulars	As at 31-December- 2017	As at 31-December-2016
Salaries and other allowances	72,202,364.08	65,609,523.18
	<b>72,202,364.08</b>	<b>65,609,523.18</b>

10.1. Provision for bonus payable to employees has neither been ascertained nor been provided for in these accounts.

10.2. Gratuity of Nu. 1,354,964.00 have been provided in these accounts on the assumption that all the employees cease to be employed with effect from 01/01/2018. The accumulated provision (as on 31/12/2017) Nu. 8,316,234.00 have been deposited into a separate account with other financial institution as per the provisions of the Income Tax Act of the Kingdom of Bhutan 2001.

10.3. The gratuity liability in respect of employees on deputation from the parent bank (PNB) has not been provided in view of the fact that the same shall be borne by the parent Bank.

## 11. Other operating expenses

Particulars	As at 31-December- 2017	As at 31-December-2016
Advertising and marketing	2,062,850.75	1,775,930.97
Administrative	14,996,165.18	8,254,981.56
Outsourcing of Financial services	12,326,797.63	15,562,227.08
Professional fees	680,000.00	280,400.00
Rental charges payable under operating leases	14,181,305.13	13,444,500.12
Other	27,732,914.98	26,771,051.75
	<b>71,980,033.67</b>	<b>66,089,091.48</b>









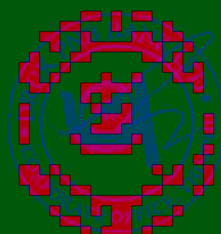
18. Due to Customers		
Particulars	As at 31-December- 2017	As at 31-December-2016
Demand Deposits:	6,314,861,388.63	4,900,787,385.54
Current Deposits	2,959,560,082.25	1,559,608,371.08
Savings Bank Deposits	3,355,301,306.38	3,341,179,014.46
Term Deposits:	5,363,163,855.59	3,276,915,220.59
Fixed Deposits	5,155,515,750.59	3,085,881,136.59
Recurring Deposits	207,648,105.00	191,034,084.00
	11,878,025,244.22	8,177,702,606.13

19. Subordinated term debts		
Particulars	As at 31-December- 2017	As at 31-December-2016
150000 Bonds of Nu. 1000 each under Govt. ESP	150,000,000.00	178,800,000.00
	150,000,000.00	178,800,000.00

20. Other Liabilities		
Particulars	As at 31-December- 2017	As at 31-December-2016
Interest Payable	187,315,241.17	157,151,927.99
Suspended Interest	32,719,398.48	30,769,677.15
Subordinate Debt Payable	144,000,000.00	115,200,000.00
Accounts Payable and sundry creditors	88,287,029.67	98,104,373.98
	452,321,669.32	401,225,979.12

21. Provisions		
Particulars	As at 31-December- 2017	As at 31-December-2016
Provision - Gratuity	8,316,234.00	6,961,270.00
Provision - Loans - General	64,793,291.79	49,644,048.82
- Specific	115,442,562.74	123,242,817.40
- Dynamic	-	-
Provision - Others	10,649,750.00	-
	199,201,838.53	179,848,137.22

22. Deferred tax



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24. Other Notes

A. Particulars of the transactions with the Directors and their relatives as per provisions of the Companies Act of Bhutan 2016:

Sl. No.	Name	Nature of Relationship	Nature of Transactions/Loan Facility	Outstanding as on 31.12.2017	Outstanding as on 31.12.2016
<b>Director/ Associates</b>					
		-	-	-	-
<b>Relative of the Director</b>					
1	Ashi Chimi Yangzom Wangchuk	Spouse of Director	Term Loan	-	839,098.45
2	Dasho Kuenley Wangchuk	Director's Father	Term Loan	144,272,231.96	131,552,237.96
3	Aum Sangay Om	Director's Mother	Term Loan / Overdraft	27,374,562.00	48,553,120.11
4	Kesang Wangchuk	Director's Brother	Overdraft	24,992,761.56	31,558,801.88
5	Yangchen				

B. Contingent Liability

Contingent liabilities as at the Balance Sheet date are as follows

	Nu.
a) Letter of Credit	219,617,692.01
b) Other Guarantees	2,605,969,562.66
<b>Total</b>	<b>2,825,587,254.67</b>

C. Management Expenses:

Management expenses include:

a) Managerial remuneration paid or payable to the Chief Executive Officer:

Particulars	2017 (Amt. in Nu.)	2016 (Amt. in Nu.)
Remuneration	3,745,381.42	4,556,190.05
Directors sitting fees	60,000.00	60,000.00

b) Audit Related:

Particulars	2017 (Amt. in Nu.)	2016 (Amt. in Nu.)
Audit fees and expenses:	275,000.00	275,000.00

D. Deferred Tax:

The net position of deferred tax liability/asset during the year 2017 is as follow:-

	31.12.2017	31.12.2016
Opening Deferred Tax Liability/ (Assets)	(234,986.00)	(247,894.00)
Provided during the year	(1,549.00)	12,908.00
Closing Deferred Tax Liability / (Assets)	(236,535.00)	(234,986.00)

E. The Company has made a provision for proposed dividend of Nu. NIL for the year 2017. A dividend of Nu.45.00Mio was paid to the shareholders in the year 2017 which was based on the performance of the Company in 2016 as per BAS. Out of the dividend of Nu.45.00Mio for the year 2016, the unclaimed dividend is Nu.5.317Mio as on 31.12.2017 and unclaimed dividend for the previous years is Nu.6.01Mio as on 31.12.2017.

F. Equity Investment:

As per MOU with RMA, the Bank has paid Nu. 12,000,000.00/- as their share for setting up Banking Training Institute which has been considered as a equity investment by the management. Further, the Bank has also contributed to the Credit Information Bureau of Bhutan as Equity Investment amounting Nu. 1,750,000/-.

G. Physical Shortage of Cash in ATMs: A physical shortage of cash amounting to Nu.10649750/- was found in the ATMs during the year 2017. The matter is under investigation with ACC. The Bank has provided 4000000/-

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Income Tax Reconciliation as per BAS & IT department

	2017	2018
Depreciation as per IT Act	281,276,347.71	12,351,930.43
Depreciation as per BAS		

Date: 03.03.2018  
 Place: Mumbai  
 Signature: *[Handwritten Signature]*  
 Name: *[Handwritten Name]*  
 Designation: *[Handwritten Designation]*  
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**MPRR-Disclosures Requirements**

Amount 000\* Nu.  
Reporting : Annual & Quarterly.  
Effective : July, 2015  
Applicable : Dec. 2017 '000'

**1 Item 1 : Tier I Capital and its sub-components**

SI		Current Period	Corresponding Period of Previous Year (COPPY)
1	<b>Total Tier I Capital</b>		
a	Paid - Up Capital	450,000.00	450,000.00
b	General Reserves	419,738.25	327,667.91
c	Share Premium Account	28,150.80	28,150.80
d	Retained Earning	237,811.42	193,420.25
	<b>Less</b>		
e	Losses for the Current Year	-	-
	<b>Total</b>	<b>1,135,700.47</b>	<b>999,238.96</b>

**2 Item 2 : Tier 2 Capital and its sub-components**

SI		Current Period	COPPY
1	<b>Tier II Capital</b>		
a	Capital Reserve	-	-
b	Fixed Assets Revaluation Reserve	-	-
c	Exchange Fluctuation Reserve	11,049.02	8,369.85
d	Investment Fluctuation Reserve	-	-
e	Research and Development Fund	-	-
f	General Provision	64,793.29	49,644.05
g	Capital Grants	-	-
h	Subordinate Debt	150,000.00	178,800.00
i	Profit for the Year	-	-
	<b>Total</b>	<b>225,842.31</b>	<b>236,813.90</b>

**3 Item 3 : Risk weighted assets (Current period and**

SI	Risk Weighted Assets	Balance Sheet Amount		Risk Weight %	Risk Weighted Asset	
		Current Period	COPPY		Current Period	COPPY
1	LAFD	117,255.05	89,775.37	0%	-	0.00
2	L & A other than LAFD & NPL	6,124,289.74	4,786,472.04	100%	6,124,289.74	4,786,472.04
3	Non Performing Loan less specific prov. & Susp. Interest	17,932.55	40,739.18	150%	26,898.83	61108.77
4	Claim on Commercial Banks	2,329,477.06	2,154,638.33	20%	465,895.41	430,927.67
	Bonds/Securities	250,000.00	250,000.00	20%	50,000.00	50,000.00
	Claims on Fis in India	403,920.40	-	50%	201,960.20	-
5	Fixed Assets	56,434.83	42,838.89	100%	56,434.83	42,838.89
6	Other Assets	155,591.46	574,346.35	100%	155,591.46	574,346.35
7	Off Balance Sheet Items (Direct Credit Substitute)	574,263.49	428,333.88	100%	574,263.49	428333.88
8	Off Balance Sheet Items (Transaction related contingent item)	1,094,195.33	1,728,706.98	100%	1,094,195.33	864353.49
	<b>Total Credit Risk</b>				<b>8,749,529.29</b>	<b>7,238,381.09</b>
9	Operational risk	519,391.94	452,305.15		519,391.94	452,305.15
	<b>Grand Total</b>	<b>11,642,751.85</b>	<b>10,548,156.17</b>		<b>9,268,921.23</b>	<b>7,640,686.24</b>

Note : In case of same risk weights to different sectors, same RW % to be added and shown under one head.

**4 Item 4 : Capital Adequacy Ratios**

SI		Current Period	COPPY
1	Tier 1 Capital	1,135,700.47	999,238.96
a	Of which Counter-Cyclical Capital Buffer (CCyB) (if applicable)		
b	Of which Sectoral Capital Requirements (SCR) (if applicable)		
	i Sector 1		
	ii Sector 2		
	iii Sector 3		
2	Tier 2 Capital	225,842.31	236,813.90
3	Total Qualifying capital	1,361,542.78	1,236,052.86
4	Core CAR	12.25%	13.08%
a	Of which CCyB (if applicable) expressed as % of RWA		
b	Of which SCR (if applicable) expressed as % of Sectoral RWA		
	i Sector 1		
	ii Sector 2		
	iii Sector 3		
5	CAR	14.69%	16.18%
6	Leverage ratio	9.75%	9.47%









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SI	As of
1	Cash
2	Govt
3	Invest
4	Loans
5	Loans
6	Other
	TOTA
1	Amou
2	Demn
3	Savin
4	Time
5	Bonds
6	Other
	TOTA
1	Asset
2	Net W
3	Curre

SI	As of
1	Cash
2	Govt
3	Invest
4	Loans
5	Loans
6	Other
	TOTA
1	Amou
2	Demn
3	Savin
4	Time
5	Bonds
6	Other
	TOTA
1	Asset
2	Net W
3	Curre

SI	As of
1	Cash
2	Treasur
3	Loans
4	Investm
5	Other A
6	Total In
	Liabilit
1	Deposit
2	Borrow
3	Other Li
4	Total li
5	Total in

SI	As of	As of	As of	As of	As of	As of
1	Cash	1,234,567	1,234,567	1,234,567	1,234,567	1,234,567
2	Govt	123,456	123,456	123,456	123,456	123,456
3	Invest	567,890	567,890	567,890	567,890	567,890
4	Loans	1,567,890	1,567,890	1,567,890	1,567,890	1,567,890
5	Loans	1,567,890	1,567,890	1,567,890	1,567,890	1,567,890
6	Other	123,456	123,456	123,456	123,456	123,456
	TOTA	4,087,653	4,087,653	4,087,653	4,087,653	4,087,653
1	Amou	1,234,567	1,234,567	1,234,567	1,234,567	1,234,567
2	Demn	123,456	123,456	123,456	123,456	123,456
3	Savin	567,890	567,890	567,890	567,890	567,890
4	Time	1,567,890	1,567,890	1,567,890	1,567,890	1,567,890
5	Bonds	1,567,890	1,567,890	1,567,890	1,567,890	1,567,890
6	Other	123,456	123,456	123,456	123,456	123,456
	TOTA	4,087,653	4,087,653	4,087,653	4,087,653	4,087,653
1	Asset	4,087,653	4,087,653	4,087,653	4,087,653	4,087,653
2	Net W	1,234,567	1,234,567	1,234,567	1,234,567	1,234,567
3	Curre	1,234,567	1,234,567	1,234,567	1,234,567	1,234,567



## MPRR-Disclosures Requirements

Reporting : Annual &amp; Quarterly.

## 10 Item 10 : Non Performing Loans and Provisions

Effective : July, 2015

31.12.2017

Applicable : Dec. 2017

Sl.		Current Period	COPPY
	<b>Gross Loans</b>	6,418,289.05	5,040,229.40
1	<b>Amount of NPLs (Gross)</b>	176,744.26	163,982.00
a	Substandard	6,366.39	2,347.19
b	Doubtful	32,501.58	19,328.90
c	Loss	137,876.29	142,305.91
		<b>176,744.26</b>	<b>163,982.00</b>
2	<b>Specific Provisions</b>	123,242.82	123,242.82
a	Substandard	1,438.45	425.01
b	Doubtful	16,523.03	9,642.85
c	Loss	108,130.83	113,174.96
		<b>126,092.31</b>	<b>123,242.82</b>
3	<b>Interest - in Suspense</b>	32,719.40	30,769.68
a	Substandard	114.28	222.13
b	Doubtful	2,859.67	1,416.60
c	Loss	29,745.45	29,130.95
		<b>32,719.40</b>	<b>30,769.68</b>
4	<b>Net NPLs</b>	17,932.55	9,969.50
a	Substandard	4,813.66	1,700.05
b	Doubtful	13,118.88	8,269.45
c	Loss	-	-
		<b>17,932.55</b>	<b>9,969.50</b>
	Net NPLs	17,932.55	9,969.50
	Net Loans	6,259,477.34	4,886,216.91
5	Gross NPLs to Gross Loans	0.03	0.03
6	Net NPLs to net Loans	0.00	0.00
7	<b>General Provisioning</b>	64,793.29	49,644.05
a	Standard	56,558.23	44,701.99
b	Watch	8,235.06	4,942.06

## 18 Item 18 : Provisioning Coverage Ratio

Annually

Year	Gross NPL	Additional NPL	Additional Specific Provisions	Additional-Interest-in-Suspense A/c.	Required PCR (60% of Additional NPL)	Accretion to the buffer	Countercyclical provisioning buffer (Stock)
1	2	3.00	4.00	5	6= (60% of Col 3)	7 = (6-5-4)	8
COPPY	163,982.00	-	-	-	-	-	-
Current year	176,744.26	12,762.26	2,849.50	1,949.72	7,657.36	2,858.14	

## 19 Item 19 : Concentration of Credit &amp; Deposits

Annually

S. No.	Particular	End of Current Period	COPPY
1	Total loans to 10 largest borrowers	2,267,147.64	1,412,896.71
	Total loans	9,243,510.70	5,040,23
2	As % of total Loans	24.53	28.032.39
3	Total deposits of the 10 largest depositors	3,549,313.89	2,780,484.00
4	As % of total Deposits	1.00	1.00

## Note:

Deposits to 10 LD	3,549,313.89	2,780,484.00
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## 20 Item 20: Exposure to 5 Largest NPL accounts.

Annually

S.No.	Particular	End of Current Period.	COPPY
1	Five largest NPL accounts.	84,236.55	83,004.23
	Total NPLs	176,744.26	163,982.00
2	As % of total NPLs	47.66	50.62

