

DRUK PNB BANK LTD.
ANNUAL DISCLOSURES
FOR THE YEAR ENDED DECEMBER 31, 2018

Item 1: Tier 1 Capital and its sub-components

Sl. No		Current Period	Corresponding Period of Previous Year (COPPY)
1	TOTAL Tier 1 Capital	1,598,888,560.90	1,078,297,938.88
a.	Paid-up Capital	700,000,000.00	450,000,000.00
b.	General Reserves	536,149,773.09	419,278,799.23
c.	Share premium Account	153,150,800.00	28,150,800.00
d.	Retained Earnings	209,587,987.81	180,868,339.65
Less :-			
e.	Losses for the Current Year and other regulatory deduction	0.00	0.00

Item 2 : Tier 2 Capital and its sub-components

Sl. No		Current Period	(COPPY)
1	Tier II Capital	253,377,755.27	227,775,177.66
a	Capital Reserve	0.00	0.00
b	Fixed Assets Revaluation Reserve	0.00	0.00
c	Exchange Fluctuation Reserve	16,476,961.56	12,981,885.87
d	Investment Fluctuation Reserve	0.00	0.00
e	Research and Development Fund	0.00	0.00
f	General provision	86,900,793.71	64,793,291.79
g	Capital Grants	0.00	0.00
h	Subordinated Debt	150,000,000.00	150,000,000.00
i	Profit for the year	0.00	0.00

Item 3: Risk weighted assets (Current Period and COPPY)3

Sl. No	Assets	Balance Sheet Amount	Risk Weight %	Risk Weighted Asset
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1	Zero-Risk Weighted Assets	4,160,845,385.79	0.00%	0.00
2	20 % Risk Weighted Assets	2,265,983,739.87	20.00%	453,196,747.97
3	50 % Risk Weighted Assets	352,836,326.98	50.00%	176,418,163.49
4	100 % Risk Weighted Assets	8,352,044,244.43	100.00%	8,352,044,244.43
5	150 % Risk Weighted Assets	1,820,927.76	150.00%	2,731,391.64
6	200 % Risk Weighted Assets	0.00	200.00%	0.00
7	250 % Risk Weighted Assets	0.00	250.00%	0.00
8	300 % Risk Weighted Assets	0.00	300.00%	0.00
Grand Totals		15,133,530,624.83		8,984,390,547.53

Item 4: Capital Adequacy Ratios

Sl. No		Current Period	COPPY
1	Tier 1 Capital	1,598,888,560.90	1,078,297,938.88
a.	Of which Counter-Cyclical Capital Buffer (CCyB) (if applicable)	0.00	0.00
b.	Of which Sectoral Capital Requirements (SCR) (if applicable)	0.00	0.00
i.	Sector 1	0.00	0.00
ii.	Sector 2	0.00	0.00
iii.	Sector 3	0.00	0.00
2	Tier 2 Capital	253,377,755.27	227,775,177.66
3	Total qualifying capital	1,852,266,316.17	1,306,073,116.54
4	Core CAR	14.05	11.02
a.	Of which CCyB (if applicable) expressed as % of RWA	0.00	0.00
b.	Of which SCR (if applicable) expressed as % of Sectoral RWA	0.00	0.00
i.	Sector 1	0.00	0.00
ii.	Sector 2	0.00	0.00
iii.	Sector 3	0.00	0.00
5	CAR	16.28	13.35
6	Leverage Ratio	8.96	6.57

Item 5: Loans and NPL by Sectoral Classification⁴

Sl.No	Sector	Current Period		COPPY	
		Total Loans	NPL	Total Loans	NPL
a	Agriculture	9,469,061.48	524,302.48	16,987,908.53	524,300.00

b	Manufacturing/ Industry	1,857,387,779.70	11,728,701.81	1,476,105,081.73	41,898,440.00
c	Service & Tourism	2,495,009,382.11	62,334,318.69	1,692,205,634.53	85,255,360.00
d	Trade & Commerce	1,026,295,961.86	25,650,323.83	436,698,825.23	14,061,200.00
e	Housing	1,724,949,225.91	8,720,528.00	1,635,507,363.21	7,320,370.00
f	Transport	159,755,228.37	2,825,552.28	121,380,527.02	5,568,210.00
g	Loans to Purchase Securities	202,945,071.72	0.00	174,244,582.72	0.00
h	Personal Loan	245,978,547.75	13,164,912.50	254,950,866.85	8,102,110.00
i	Education Loan	6,770,499.12	131,982.00	9,859,139.87	141,980.00
j	Loan Against Term Deposit	192,658,537.72	0.00	117,255,050.45	0.00
k	loans to FI(s)	350,051,714.00	0.00	331,233,825.00	0.00
l	Infrastructure Loan	0.00	0.00	0.00	0.00
m	Staff Loan (incentive)	52,101,282.76	0.00	40,752,465.21	0.00
n	Loans to Govt. Owned Corporation	0.00	0.00	0.00	0.00
o	Others	146,750,254.36	15,202,534.25	111,107,777.05	13,872,280.00
	Total Loans & Advances	8,470,122,546.86	140,283,155.84	6,418,289,047.40	176,744,250.00

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

Sl.No	Counter-party	Current Period	COPPY
1	Overdrafts	3,207,500.98	2,222,326,747.03
a.	Government	-	0.00
b.	Government Corporations	204,824.96	68,708,986.64
c.	Public Companies	49,971.81	49,194,653.57
d.	Private Companies	736,544.38	655,656,576.25
e.	Individuals	1,916,079.92	1,117,532,705.57
f.	Commercial Banks	-	0.00
g.	Non-Bank Financial Institutions	300,079.91	331,233,825.00
2	Term Loans	5,262,621.57	4,195,962,300.37
a.	Government	-	0.00
b.	Government Corporations	-	0.00
c.	Public Companies	86,471.61	98,720,137.60
d.	Private Companies	1,165,474.43	889,826,909.99
e.	Individuals	4,010,675.53	3,207,415,252.78
f.	Commercial Banks	-	0.00
g.	Non-Bank Financial Institutions	-	0.00
	Total Loans & Advances	8,470,122.55	6,418,289,047.40

Net Mismatch in each Time Interval	2,281,360.63	-6,881.16	910,304.12	38,552.36	-291,416.82	-654,698.71	-2,277,220.42	0.00
Cumulative Net Mismatch	2,281,360.63	2,274,479.47	3,184,783.59	3,223,335.95	2,931,919.13	2,277,220.42	0.00	0.01

Item 9: Assets and Liabilities by time-to-re-pricing (Current Period and COPPY9

As of period ending	Time to re-pricing				Non-interest bearing	Total
	0-3 Months	3-6 Months	6-12 Months	More than 12 months		
Assets						
Cash and Balances with Banks	3,837,009.33	0.00	0.00	0.00		3,837,009.33
Treasury Bills	0.00	0.00	0.00			0.00
Loans and Advances	530,396.48	213,689.49	618,921.22	7,107,115.35		8,470,122.55
Investment securities	1,449,864.02	361,471.96	122,538.99	819,215.95		2,753,090.92
Other Assets	78,803.97	0.00	0.00	123,580.78		202,384.75
Total financial assets	5,896,073.80	575,161.45	741,460.21	8,049,912.08		15,262,607.54
Liabilities						
Deposits	2,711,290.21	536,609.09	1,615,710.68	7,644,175.41		12,507,785.39
Borrowings						0.00
Other Liabilities	0.00	0.00	71,865.06	2,682,957.09		2,754,822.15
Total financial liabilities	2,711,290.21	536,609.09	1,687,575.74	10,327,132.50		15,262,607.54
Total interest Re-pricing gap	3,184,783.59	38,552.36	-946,115.53	-2,277,220.42		0.00

Item 10: Non performing Loans and Provisions

		Current Period	COPPY
1	Amount of NPLs (Gross)	140,283.16	176,744.26
a.	Substandard	11,641.78	6,366.39
b.	Doubtful	18,184.81	32,501.58
c.	Loss	110,456.57	137,876.29
2	Specific Provisions	103,671.86	126,092.31
a.	Substandard	3,016.12	1,438.45
b.	Doubtful	8,634.52	16,523.03
c.	Loss	92,021.22	108,130.83
3	Interest-in-Suspense	20,210.63	32,719.40
a.	Substandard	713.75	114.28
b.	Doubtful	1,056.86	2,859.67

c.	Loss	18,440.02	29,745.45
4	Net NPLS	16,400.67	17,932.54
a.	Substandard	7,911.90	4,813.66
b.	Doubtful	8,493.43	13,118.88
c.	Loss	-4.67	0.00
5	Gross NPLs to Gross Loans	0.02	0.03
6	Net NPLs to Net loans	0.002	0.002
7	General Provisions	86,896.79	64,793.29
a.	Standard	74,976.47	56,558.23
b.	Watch	11,920.32	8,235.06

Item 11: Assets and Investments

SI.No	Investment	Current Period	COPPY
1	Marketable Securities (Interest Earning)		
a.	RMA Securities	2,491,360,000.00	997,889,300.00
b.	RGOB Bonds/Securities	0.00	0.00
c.	Corporate Bonds	250,000,000.00	250,000,000.00
d.	Others	0.00	0.00
	Sub-total	2,741,360,000.00	1,247,889,300.00
2	Equity Investments	0.00	0.00
e.	Public Companies	0.00	0.00
f.	Private Companies	0.00	0.00
g.	Commercial Banks	0.00	0.00
h.	Non-Bank Financial Institutions	0.00	0.00
	Less		
i.	Specific Provisions	0.00	0.00
3	Fixed Assets	73,961,104.61	56,439,990.36
j.	Fixed Assets (Gross)	184,052,910.88	157,406,877.21
	Less		
k.	Accumulated Depreciation	110,091,806.27	100,966,886.85
l.	Fixed Assets (Net Book Value)	0.00	0.00

Item 12: Foreign exchange assets and liabilities (Current Period and COPPY10)

			Core Capital	1,598,888,560.90
CURRENCY	Liquid Foreign Currency Holding (Up to one week)	Long Term Foreign Currency Holding (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	39,092,138.29	0.00	39,092,138.29	14,930,018.10	92,107,409.88	-77,177,391.78	-38,085,253.49	-2.38
SG\$	1,621,361.91	0.00	1,621,361.91	2,484,460.57	0.00	2,484,460.57	4,105,822.48	0.26
EURO	2,105,599.28	0.00	2,105,599.28	12,315,050.41	3,674,649.50	8,640,400.91	10,746,000.19	0.67
AUD	3,610,328.15	0.00	3,610,328.15	0.00	0.00	0.00	3,610,328.15	0.23
CAD	17,976.00	0.00	17,976.00	0.00	0.00	0.00	17,976.00	0.00
GBP	350398.8	0	350,398.80	5222430.49	0	5,222,430.49	5,572,829.29	0.35
ACU\$	0	0	0.00	11050016.13	0	11,050,016.13	11,050,016.13	0.69
JPY	6557.5	0	6,557.50	802384.2248	66586756.68	-65,784,372.45	-65,777,814.95	-4.11
INR	260550	0	260,550.00	0	443104756	443,104,756.00	442,844,206.00	-27.70
	47,064,909.92	0.00	47,064,909.92	46,804,359.92	605,473,572.05	558,669,212.13	511,604,302.21	-32.00

Item 13: Geographical Distribution of Exposures

	Domestic		India		Other	
	Assets in Foreign Currency	Liabilities in Foreign Currency	Net Short Term Position	Assets in Foreign Currency	Liabilities in Foreign Currency	Long Term Net Position
	Current Period	COPPY	Current Period	COPPY	Current Period	COPPY
Demand deposits held with othe banks	110,102,679.56	145,440,844.39	352,836,326.98	403,920,395.31	199,030,138.20	640,404,681.74
Time deposits held with other banks	1,706,850,922.11	0.00	0.00	0.00	0.00	0.00
Borrowings	0.00	0.00	0.00	0.00	0.00	0.00

Item 14: Credit Risk Exposures by collateral

Sl. No	Particular	Current Period	COPPY
1	Secured Loans	128,601.38	0.00
a.	Loans secured by physical/ real estate collateral	0.00	0.00
b.	Loans secured by financial collateral	0.00	0.00
c.	Loans secured by guarantees	0.00	0.00
2	Unsecured Loans	0.00	0.00
3	Total Loans	0.00	0.00

Item 15: Earnings Ratios (%)

Sl. No	Ratio	Current Period	COPPY
1	Interest Income as a percentage of Average Assets	6.60	6.01
2	Non-interest income as a percentage of Average Assets	3.93	3.70
3	Operating Profit as a percentage of Average Assets	2.65	2.39
4	Return on Assets	1.76	1.55
5	Business (Deposits plus advances) per employee	193,747,290.45	152,811,890.19
6	Profit per employee	2,182,536.17	1,581,877.96

Item 16: Penalties imposed by the 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*
	Nil	Nil	NA	Nil

Item 17: Customer Complaints

Sl. No	Particular	Current Period	COPPY
1	No. of complaints pending at the beginning of the year	Nil	Nil
2	No. of complaints received during the year	Nil	Nil
3	No. of complaints redressed during the year	Nil	Nil
4	No. of complaints pending at the end of the year	Nil	Nil

Item 18: Provisioning Coverage Ratio (PCR)

Year	Gross NPL	Additional NPL	Additional specific provisions	Additional Interest-in-suspense A/C	PCR
1	2	3	4	5	6 = (4/5)
COPPY	176,744,258.03	12,762,260.19	2,849,495.34	1,949,721.33	1.46
Current Year	140,253,895.84	-36,490,362.19	-7,862,373.42	-12,508,766.72	0.63

Item 19: Concentration of Credit and Deposits

Sl. No	Particular	End of Current Period	COPPY
1	Total loans to 10 largest borrowers	3,025,893,544.37	2,267,147,639.11
2	As % of total Loans	35.72	35.32
3	Total deposits of the 10 largest depositors	5,812,108,066.52	4,126,910,452.97
4	As % of total deposits	45.95	35.07

Item 20: Exposure to 5 Largest NPL accounts

Sl. No	Particular	End of Current Period	COPPY
1	Five largest NPL accounts	54,491,834.31	84,236,548.72
2	As % of total NPLs	38.85	47.66