

Disclosure Under BASEL II (1st Quarter F/Y 2073/74) Ashwin 2073

Capital Structure:

The following is the **Tier 1 capital** and breakdown of its components:

| S.No | Particulars | Amount ('000) |
|------|---|------------------|
| 1.1 | Paid up Equity Share Capital | 2,353,176 |
| 1.2 | Proposed Bonus Equity Shares | - |
| 1.3 | Statutory General Reserves | 738,387 |
| 1.4 | Retained Earnings | 545,233 |
| 1.5 | Other Free Reserve | 4,123 |
| 1.6 | Share Premium | 84 |
| 1.7 | Un-audited current year cumulative profit | 129,027 |
| 1.8 | Capital Adjustment Reserve | 21,120 |
| 1.9 | Deduction from Capital | (12,798) |
| | Core Capital (Tier I) | 3,778,353 |

The following is the **Tier 2 capital** and breakdown of its components:

| S.No | Particulars | Amount ('000) |
|------|--|----------------|
| 2.1 | Subordinated Term Debt | - |
| 2.2 | General loan loss provision | 276,773 |
| 2.3 | Exchange Equalization Reserve | 4,634 |
| 2.4 | Investment Adjustment reserve | 240 |
| | Supplementary Capital (Tier II) | 281,647 |

Subordinated Term Debt:

The Bank has not issued any Subordinated Term Debt instrument.

Deductions from Capital:

Investments in other financial institutions licensed by Nepal Rastra Bank, loan to promoters' financially interested companies and deferred tax assets

| S.No | Particular | Amount ('000) |
|------|--|----------------|
| 2.1 | Loan to Harishidhi Bricks & Tile Factory | 540 |
| 2.2 | Loan to National Hydro Power Company | 7,634 |
| 2.3 | Loan to Kumari Builders | 500 |
| 2.4 | Loan to D.N.S. Investment | - |
| 2.5 | Deferred Tax Assets | 4,123 |
| | Total | 12,798 |

Total Qualifying Assets

| S.No | Particular | Amount ('000) |
|------|--|------------------|
| 1 | Core Capital (Tier I) | 3,778,353 |
| 2 | Supplementary Capital (Tier II) | 281,647 |
| | Total Capital Fund (Tier I and Tier II) | 4,060,000 |

Risk weighted exposure under each of 11 categories of Credit Risk

| S.No | Particular | Amount ('000) |
|------|--|-------------------|
| 1 | Claims on government & central bank | |
| 2 | Claims on other official entities | - |
| 3 | Claims on banks | 726,756 |
| 4 | Claims on corporate & securities firms | 15,905,941 |
| 5 | Claims on regulatory retail portfolio | 2,879,693 |
| 6 | Claims secured by residential properties | 890,053 |
| 7 | Claims secured by commercial real state | 838,574 |
| 8 | Past due claims | 324,669 |
| 9 | High risk claims | 2,340,609 |
| 10 | Other assets | 1,191,681 |
| 11 | Off balance sheet items | 4,979,977 |
| | Total | 30,077,952 |

Risk weighted Exposures:

| S.No | Particular | Amount ('000) |
|------|---|-------------------|
| 1 | Risk Weighted Exposure for Credit Risk | 30,077,952 |
| 2 | Risk Weighted Exposure for Operational Risk | 1,733,605 |
| 3 | Risk Weighted Exposure for Market Risk | 42,145 |
| 4 | 5% of Gross Total Income | 746,200 |
| 5 | 5 % of Total RWA | 1,592,685 |
| | Total Risk Weighted Exposures | 34,192,588 |

Risk Weighted Exposure Calculation Table:

| S.No | Particular | Amount ('000) |
|------|---|----------------|
| 1 | Total Risk Weighted Exposures | 34,192,588 |
| 2 | Total Core Capital (Tier I) | 3,778,353 |
| 3 | Total Capital Fund (Tier I + Tier II) | 4,060,000 |
| 4 | Total Core Capital to Total Risk Weighted Exposures | 11.05% |
| 5 | Total Capital Fund to Total Risk Weighted Exposures | 11.87% |

Amount of Non -Performing Assets (Gross and Net):

| SN | Category | Amount '000 | | |
|----|-----------------------|----------------|----------------|---------------|
| | | Gross | Provision | Net |
| 1 | Restructure/Reshedule | - | - | - |
| 2 | Substandard | 73,562 | 18,391 | 55,172 |
| 3 | Doubtful | 10,178 | 5,089 | 5,089 |
| 4 | Loss | 159,739 | 159,340 | 399 |
| | TOTAL | 243,478 | 182,819 | 60,659 |

NPA Ratio:

| SN | NPA Ratios | Percentage |
|----|-----------------------------|------------|
| 1 | Gross NPA to Gross Advances | 0.96% |
| 2 | Net NPA to Net Advances | 0.24% |

Movement of NPA:

| | | | | Amount '000 |
|--------------|-----------------------|--------------------------------------|-----------------------------------|--------------------------|
| SN | Particulars | Previous Quarter (Ashad End 2073) | This Quarter (Ashwin End 2073) | Increase/ (Decrease) |
| 1 | Restructure/Reshedule | - | - | - |
| 2 | Substandard | 26,790 | 73,562 | 46,772 |
| 3 | Doubtful | 3,404 | 10,178 | 6,774 |
| 4 | Loss | 383,034 | 159,739 | (223,295) |
| TOTAL | | 413,228 | 243,478 | (169,750) |

Write Off of Loans and Interest Suspense:

| SN | Particular | Amount ('000) |
|--------------|----------------------|----------------|
| 1 | Loans Written Off | - |
| 2 | Interest written Off | - |
| TOTAL | | - |

Movement in Loan Loss Provision and Interest Suspense:

| | | | | Amount '000 |
|----|---------------------|--------------------------------------|-----------------------------------|--------------------------|
| SN | Particular | Previous Quarter (Ashad End 2073) | This Quarter (Ashwin End 2073) | Increase/ (Decrease) |
| 1 | Loan Loss Provision | 610,255 | 459,592 | (150,663) |
| 2 | Interest Suspense | 272,292 | 190,506 | (81,786) |

Segregation of Investment Portfolio

| SN | Particular | Amount ('000) |
|--------------|--------------------|------------------|
| 1 | Held for trading | - |
| 2 | Held to maturity | 2,847,409 |
| 3 | Available for Sale | 12,015 |
| TOTAL | | 2,859,424 |

Types of Eligible Credit Risk Mitigants used:

| SN | Particular | Amount ('000) |
|--------------|---|----------------|
| 1 | Deposit with Own Bank | 184,232 |
| 2 | Deposit with other Banks/Financial Institutions | - |
| 3 | Gold | 147,714 |
| 4 | Securities of Government and NRB | - |
| 5 | Securities/Guarantee of Foreign Bank | - |
| TOTAL | | 331,946 |