

## Disclosure Under BASEL II ( 1st Quarter ended 17/10/2009 )

### 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	1,399,558
1.2	Proposed Bonus Equity Shares	-
1.3	Statutory General Reserves	213,325
1.4	Retained Earnings	(539,848)
1.5	Un-audited current year cumulative profit	51,801
1.6	Deduction from Capital	(191,699)
	<b>Core Capital (Tier I)</b>	<b>933,137</b>

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	120,899
2.3	Exchange Equalization Reserve	886
2.4	Other Reserves	-
	<b>Supplementary Capital (Tier II)</b>	<b>121,785</b>

### 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, and promoters' financially interested companies

S.No	Particular	Amount ( '000)
2.1	Ordinary Shares of Nepal Srilanka Merchant Bank (1,000 units)	78
2.2	Ordinary Shares of NB Insurance Co. (146,000 units )	14,600
2.3	Loan to Harishidhi Bricks & Tile Factory	100
2.4	Loan to National Hydro Power Company	176,922
	<b>Total</b>	<b>191,700</b>

### Total Qualifying Assets

S.No	Particular	Amount ( '000)
1	Core Capital (Tier I )	933,137
2	Supplementary Capital (Tier II)	121,785
	<b>Total Capital Fund (Tier I and Tier II)</b>	<b>1,054,922</b>

### 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	152,906
3	Claims on banks	307,738
4	Claims on corporate & securities firms	3,042,969
5	Claims on regulatory retail portfolio	845,735
6	Claims secured by residential properties	361,815
7	Claims secured by commercial real state	1,387,244
8	Past due claims	455,332
9	High risk claims	807,991
10	Other assets	516,460
11	Off balance sheet items	980,849
	<b>Total</b>	<b>8,859,039</b>

### Risk weighted Exposures:

S.No	Particular	Amount ( '000)
1	Risk Weighted Exposure for Credit Risk	8,859,039
2	Risk Weighted Exposure for Operational Risk	768,168
3	Risk Weighted Exposure for Market Risk	44,727
	<b>Total Risk Weighted Exposures</b>	<b>9,671,934</b>

**Risk Weighted Exposure Calculation Table:**

S.No	Particular	Amount ( '000)
1	Total Risk Weighted Exposures	9,671,934
2	Total Core Capital (Tier I )	933,137
3	Total Capital Fund (Tier I + Tier II )	1,054,922
4	Total Core Capital to Total Risk Weighted Exposures	9.65%
5	Total Capital Fund to Total Risk Weighted Exposures	10.91%

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

SN	Category	Gross	Provision	Amount '000	
				Net	
1	Substandard	30,930	7,732		23,197
2	Doubtful	10,193	5,096		5,097
3	Loss	176,873	175,446		1,427
	<b>TOTAL</b>	<b>217,996</b>	<b>188,274</b>		<b>29,721</b>

**NPA Ratio:**

SN	NPA Ratios	Percentage
1	Gross NPA to Gross Advances	2.80%
2	Net NPA to Net Advances	0.40%

**Movement of NPA:**

SN	Particulars	Opening Balance	Closing Balance	Amount '000	
				Increase / ( Decrease )	
1	Substandard	12,319	30,930		(18,611)
2	Doubtful	12,239	10,193		2,046
3	Loss	172,510	176,873		(4,363)
	<b>TOTAL</b>	<b>197,068</b>	<b>217,996</b>		<b>(20,928)</b>

**Write Off of Loans and Interest Suspense:**

20,928

SN	Particular	Amount ( '000)
1	Loans Written Off	-
2	Interest written Off	-
	<b>TOTAL</b>	

**Movement in Loan Loss Provision and Interest Suspense:**

SN	Particular	Opening Balance	Closing Balance	Amount '000	
				Increase / ( Decrease )	
1	Loan Loss Provision	325,487	338,732		13,245
2	Interest Suspense	218,489	240,385		21,896

**Segregation of Investment Portfolio**

SN	Particular	Amount ( '000)
1	Held for trading	-
2	Held to maturity	166,618
3	Available for Sale	236,251
	<b>TOTAL</b>	<b>402,869</b>

**Types of Eligible Credit Risk Mitigants used:**

SN	Particular	Amount ( '000)
1	Deposit with Own Bank	222,657
2	Deposit with other Banks / Financial Institutions	-
3	Gold	78,995
4	Securities of Government and NRB	544
5	Securities/ Guarantee of Foreign Bank	-
	<b>TOTAL</b>	<b>302,196</b>