

Disclosure Under BASEL II (4th Quarter) Ashad 2070

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	1,470,000
1.2	Proposed Bonus Equity Shares	-
1.3	Statutory General Reserves	449,812
1.4	Retained Earnings	22,540
1.5	Other Free Reserve	18,689
1.6	Share Premium	84
1.7	Un-audited current year cumulative profit	283,765
1.8	Deduction from Capital	(97,075)
	Core Capital (Tier I)	2,147,814

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	155,900
2.3	Exchange Equalization Reserve	4,634
2.4	Investment Adjustment reserve	7,466
	Supplementary Capital (Tier II)	167,999

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 Shangila Housing (250,000 units)	25,000
2.2	Ordinary Shares of NB Insurance Co. (146,000 units)	14,600
2.3	Loan to Harishidhi Bricks & Tile Factory	151
2.4	Loan to National Hydro Power Company	57,324
	Total	97,075

Total Qualifying Assets

S.No	Particular	Amount ('000)
1	Core Capital (Tier I)	2,147,814
2	Supplementary Capital (Tier II)	167,999
	Total Capital Fund (Tier I and Tier II)	2,315,813

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	531,972
4	Claims on corporate & securities firms	10,799,770
5	Claims on regulatory retail portfolio	933,408
6	Claims secured by residential properties	384,836
7	Claims secured by commercial real state	469,081
8	Past due claims	205,808
9	High risk claims	930,145
10	Other assets	814,560
11	Off balance sheet items	2,161,448
	Total	17,231,027

Risk weighted Exposures:

S.No	Particular	Amount ('000)
1	Risk Weighted Exposure for Credit Risk	17,231,027
2	Risk Weighted Exposure for Operational Risk	890,219
3	Risk Weighted Exposure for Market Risk	117,264
4	5% of Gross Total Income	304,636
5	5 % of Total RWA	911,926
	Total Risk Weighted Exposures	19,455,072

Risk Weighted Exposure Calculation Table:

S.No	Particular	Amount ('000)
1	Total Risk Weighted Exposures	19,455,072
2	Total Core Capital (Tier I)	2,147,814
3	Total Capital Fund (Tier I + Tier II)	2,315,813
4	Total Core Capital to Total Risk Weighted Exposures	11.04%
5	Total Capital Fund to Total Risk Weighted Exposures	11.90%

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

SN	Category	Amount '000		
		Gross	Provision	Net
1	Restructure/Reshedule	303	38	265
2	Substandard	13,225	3,306	9,919
3	Doubtful	13,678	7,532	6,147
4	Loss	393,557	392,777	780
	TOTAL	420,763	403,653	17,110

NPA Ratio:

SN	NPA Ratios	Percentage
1	Gross NPA to Gross Advances	2.63%
2	Net NPA to Net Advances	0.11%

Movement of NPA:

				Amount '000
SN	Particulars	Opening Balance	Closing Balance	Increase/ (Decrease)
1	Restructure/Reshedule	34,054	303	(33,751)
2	Substandard	4,959	13,225	8,266
3	Doubtful	38,777	13,678	(25,099)
4	Loss	274,008	393,557	119,549
	TOTAL	351,798	420,763	68,965

Write Off of Loans and Interest Suspense:

SN	Particular	Amount ('000)
1	Loans Written Off	3,667
2	Interest written Off	3,082
	TOTAL	6,749

Movement in Loan Loss Provision and Interest Suspense:

				Amount '000
SN	Particular	Opening Balance	Closing Balance	Increase/ (Decrease)
1	Loan Loss Provision	457,493	559,646	102,153
2	Interest Suspense	143,524	207,562	64,038

Segregation of Investment Portfolio

SN	Particular	Amount ('000)
1	Held for trading	-
2	Held to maturity	4,072,795
3	Available for Sale	57,515
	TOTAL	4,130,310

Types of Eligible Credit Risk Mitigants used:

SN	Particular	Amount ('000)
1	Deposit with Own Bank	239,568
2	Deposit with other Banks/Financial Institutions	-
3	Gold	838,941
4	Securities of Government and NRB	-
5	Securities/Guarantee of Foreign Bank	-
	TOTAL	1,078,509