

Disclosure Under BASEL II (2nd Quarter) Poush 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	306,305
1.5	Other Free Reserve	18,689
1.6	Share Premium	84
1.7	Un-audited current year cumulative profit	159,934
1.8	Deduction from Capital	(78,270)
	Core Capital (Tier I)	2,326,553

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	171,677
2.3	Exchange Equalization Reserve	4,634
2.4	Investment Adjustment reserve	7,466
	Supplementary Capital (Tier II)	183,776

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	158
2.4	Loan to National Hydro Power Company	38,513
	Total	78,270

Total Qualifying Assets

S.No	Particular	Amount ('000)
1	Core Capital (Tier I)	2,326,553
2	Supplementary Capital (Tier II)	183,776
	Total Capital Fund (Tier I and Tier II)	2,510,329

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	448,298
4	Claims on corporate & securities firms	12,075,614
5	Claims on regulatory retail portfolio	1,179,042
6	Claims secured by residential properties	477,728
7	Claims secured by commercial real state	248,940
8	Past due claims	231,526
9	High risk claims	1,227,861
10	Other assets	774,180
11	Off balance sheet items	2,513,354
	Total	19,176,544

Risk weighted Exposures:

S.No	Particular	Amount ('000)
1	Risk Weighted Exposure for Credit Risk	19,176,544
2	Risk Weighted Exposure for Operational Risk	1,081,774
3	Risk Weighted Exposure for Market Risk	130,962
4	5% of Gross Total Income	487,800
5	5 % of Total RWA	1,019,464
	Total Risk Weighted Exposures	21,896,543

Risk Weighted Exposure Calculation Table:

S.No	Particular	Amount ('000)
1	Total Risk Weighted Exposures	21,896,543
2	Total Core Capital (Tier I)	2,326,553
3	Total Capital Fund (Tier I + Tier II)	2,510,329
4	Total Core Capital to Total Risk Weighted Exposures	10.63%
5	Total Capital Fund to Total Risk Weighted Exposures	11.46%

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

SN	Category	Amount '000		
		Gross	Provision	Net
1	Restructure/Reshedule	227	28	199
2	Substandard	67,031	16,758	50,273
3	Doubtful	10,448	5,224	5,224
4	Loss	355,917	355,137	780
	TOTAL	433,623	377,147	56,476

NPA Ratio:

SN	NPA Ratios	Percentage
1	Gross NPA to Gross Advances	2.46%
2	Net NPA to Net Advances	0.33%

Movement of NPA:

				Amount '000
SN	Particulars	Opening Balance	Closing Balance	Increase/ (Decrease)
1	Restructure/Reshedule	265	227	(38)
2	Substandard	68,485	67,031	(1,453)
3	Doubtful	8,104	10,448	2,344
4	Loss	398,622	355,917	(42,705)
	TOTAL	475,476	433,623	(41,853)

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	Opening Balance	Closing Balance	Increase/ (Decrease)
1	Loan Loss Provision	583,985	549,721	(34,264)
2	Interest Suspense	253,093	240,467	(12,626)

Segregation of Investment Portfolio

SN	Particular	Amount ('000)
1	Held for trading	-
2	Held to maturity	3,635,727
3	Available for Sale	57,515
	TOTAL	3,693,242

Types of Eligible Credit Risk Mitigants used:

SN	Particular	Amount ('000)
1	Deposit with Own Bank	253,704
2	Deposit with other Banks/Financial Institutions	-
3	Gold	672,459
4	Securities of Government and NRB	-
5	Securities/Guarantee of Foreign Bank	-
	TOTAL	926,164