

## Disclosure Under BASEL II ( 2nd Quarter ) Poush 2069

### 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	1,400,000
1.2	Proposed Bonus Equity Shares	-
1.3	Statutory General Reserves	377,780
1.4	Retained Earnings	96,486
1.5	Other Free Reserve	15,178
1.6	Share Premium	84
1.7	Un-audited current year cumulative profit	155,501
1.8	Deduction from Capital	(106,591)
	<b>Core Capital (Tier I)</b>	<b>1,938,438</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	151,213
2.3	Exchange Equalization Reserve	4,634
2.4	Investment Adjustment reserve	7,367
	<b>Supplementary Capital (Tier II)</b>	<b>163,214</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 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	122
2.4	Loan to National Hydro Power Company	66,869
	<b>Total</b>	<b>106,591</b>

### Total Qualifying Assets

S.No	Particular	Amount ( '000)
1	Core Capital (Tier I )	1,938,438
2	Supplementary Capital (Tier II)	163,214
	<b>Total Capital Fund (Tier I and Tier II)</b>	<b>2,101,652</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	155,813
3	Claims on banks	388,413
4	Claims on corporate & securities firms	10,545,961
5	Claims on regulatory retail portfolio	795,594
6	Claims secured by residential properties	431,691

7	Claims secured by commercial real state	371,415
8	Past due claims	249,012
9	High risk claims	1,302,115
10	Other assets	719,254
11	Off balance sheet items	1,957,954
<b>Total</b>		<b>16,917,222</b>

**Risk weighted Exposures:**

S.No	Particular	Amount ( '000)
1	Risk Weighted Exposure for Credit Risk	16,917,222
2	Risk Weighted Exposure for Operational Risk	901,083
3	Risk Weighted Exposure for Market Risk	128,343
4	2% of Gross Total Income	121,855
5	5 % of Total RWA	897,332
<b>Total Risk Weighted Exposures</b>		<b>18,965,835</b>

**Risk Weighted Exposure Calculation Table:**

S.No	Particular	Amount ( '000)
1	Total Risk Weighted Exposures	18,965,835
2	Total Core Capital (Tier I )	1,938,438
3	Total Capital Fund (Tier I + Tier II )	2,101,652
4	Total Core Capital to Total Risk Weighted Exposures	10.22%
5	Total Capital Fund to Total Risk Weighted Exposures	11.08%

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

				Amount '000
SN	Category	Gross	Provision	Net
1	Restructure/Reshedule	379	47	332
2	Substandard	49,285	12,321	36,964
3	Doubtful	13,672	6,836	6,836
4	Loss	401,953	401,173	780
<b>TOTAL</b>		<b>465,289</b>	<b>420,377</b>	<b>44,912</b>

**NPA Ratio:**

SN	NPA Ratios	Percentage
1	Gross NPA to Gross Advances	2.98%
2	Net NPA to Net Advances	0.30%

**Movement of NPA:**

				Amount '000
SN	Particulars	Opening Balance	Closing Balance	Increase/ (Decrease )
1	Restructure/Reshedule	34,004	379	(33,625)
2	Substandard	60,269	49,285	(10,984)
3	Doubtful	43,811	13,672	(30,139)
4	Loss	321,185	401,953	80,768
<b>TOTAL</b>		<b>459,269</b>	<b>465,289</b>	<b>6,020</b>

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

SN	Particular	Amount ( '000)
1	Loans Written Off	2,260
2	Interest written Off	2,228
<b>TOTAL</b>		<b>4,488</b>

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

				Amount '000
SN	Particular	Opening Balance	Closing Balance	Increase/ (Decrease )
1	Loan Loss Provision	549,934	578,628	28,694
2	Interest Suspense	181,259	191,496	10,237

**Segregation of Investment Portfolio**

SN	Particular	Amount ( '000)
1	Held for trading	-
2	Held to maturity	2,996,997
3	Available for Sale	51,611
<b>TOTAL</b>		<b>3,048,608</b>

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

SN	Particular	Amount ( '000)
1	Deposit with Own Bank	184,789
2	Deposit with other Banks/Financial Institutions	-
3	Gold	796,000
4	Securities of Government and NRB	-
5	Securities/Guarantee of Foreign Bank	-
<b>TOTAL</b>		<b>980,789</b>