

Disclosure Under BASEL II (2nd Quarter) Poush 2068

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	342,256
1.4	Retained Earnings	(40,507)
1.5	Other Free Reserve	9,155
1.6	Share Premium	84
1.7	Un-audited current year cumulative profit	74,405
1.8	Deduction from Capital	(135,998)
	Core Capital (Tier I)	1,649,395

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	108,055
2.3	Exchange Equalization Reserve	886
2.4	Investment Adjustment reserve	7,367
	Supplementary Capital (Tier II)	116,308

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	96,276
	Total	135,998

Total Qualifying Assets

S.No	Particular	Amount ('000)
1	Core Capital (Tier I)	1,649,395
2	Supplementary Capital (Tier II)	116,308
	Total Capital Fund (Tier I and Tier II)	1,765,703

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	303,814
4	Claims on corporate & securities firms	5,885,466
5	Claims on regulatory retail portfolio	566,284
6	Claims secured by residential properties	333,869
7	Claims secured by commercial real state	386,150
8	Past due claims	483,217
9	High risk claims	1,208,255
10	Other assets	680,848
11	Off balance sheet items	1,543,781
	Total	11,547,497

Risk weighted Exposures:

S.No	Particular	Amount ('000)
1	Risk Weighted Exposure for Credit Risk	11,547,497
2	Risk Weighted Exposure for Operational Risk	875,570
3	Risk Weighted Exposure for Market Risk	80,937
4	2% of Gross Total Income	54,403

5	5 % of Total RWA	625,200
	Total Risk Weighted Exposures	13,183,607

Risk Weighted Exposure Calculation Table:

S.No	Particular	Amount ('000)
1	Total Risk Weighted Exposures	13,183,607
2	Total Core Capital (Tier I)	1,649,395
3	Total Capital Fund (Tier I + Tier II)	1,765,703
4	Total Core Capital to Total Risk Weighted Exposures	12.51%
5	Total Capital Fund to Total Risk Weighted Exposures	13.39%

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

				Amount '000
SN	Category	Gross	Provision	Net
1	Restructure/Reshedule	34,118	33,654	464
2	Substandard	239,478	59,870	179,608
3	Doubtful	12,946	6,473	6,473
4	Loss	144,394	143,462	932
	TOTAL	430,936	243,459	187,477

NPA Ratio:

SN	NPA Ratios	Percentage
1	Gross NPA to Gross Advances	4.39%
2	Net NPA to Net Advances	1.98%

Movement of NPA:

				Amount '000
SN	Particulars	Opening Balance	Closing Balance	Increase/ (Decrease)
1	Restructure/Reshedule	103,708	34,118	(69,590)
2	Substandard	36,109	239,478	203,369
3	Doubtful	70,572	12,946	(57,626)
4	Loss	164,087	144,394	(19,693)
	TOTAL	374,476	430,936	56,460

Write Off of Loans and Interest Suspense:

SN	Particular	Amount ('000)
1	Loans Written Off	78,750
2	Interest written Off	29,668
	TOTAL	108,418

Movement in Loan Loss Provision and Interest Suspense:

				Amount '000
SN	Particular	Opening Balance	Closing Balance	Increase/ (Decrease)
1	Loan Loss Provision	408,041	356,232	(51,809)
2	Interest Suspense	202,138	139,291	(62,847)

Segregation of Investment Portfolio

SN	Particular	Amount ('000)
1	Held for trading	-
2	Held to maturity	2,951,957
3	Available for Sale	99,148
	TOTAL	3,051,105

Types of Eligible Credit Risk Mitigants used:

SN	Particular	Amount ('000)
1	Deposit with Own Bank	179,362
2	Deposit with other Banks/Financial Institutions	-
3	Gold	419,168
4	Securities of Government and NRB	-
5	Securities/Guarantee of Foreign Bank	-
	TOTAL	598,530