

Disclosure Under BASEL II (3rd Quarter) Chaitra 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	449,337
1.4	Retained Earnings	303,015
1.5	Other Free Reserve	20,080
1.6	Share Premium	84
1.7	Un-audited current year cumulative profit	172,093
1.8	Deduction from Capital	(74,960)
	Core Capital (Tier I)	2,339,649

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	170,171
2.3	Exchange Equalization Reserve	4,634
2.4	Investment Adjustment reserve	7,466
	Supplementary Capital (Tier II)	182,270

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	35,202
	Total	74,960

Total Qualifying Assets

S.No	Particular	Amount ('000)
1	Core Capital (Tier I)	2,339,649
2	Supplementary Capital (Tier II)	182,270
	Total Capital Fund (Tier I and Tier II)	2,521,919

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	479,814
4	Claims on corporate & securities firms	11,328,836
5	Claims on regulatory retail portfolio	1,245,704
6	Claims secured by residential properties	507,213
7	Claims secured by commercial real state	468,305
8	Past due claims	225,830
9	High risk claims	1,021,586
10	Other assets	831,102
11	Off balance sheet items	2,515,084
	Total	18,623,474

Risk weighted Exposures:

S.No	Particular	Amount ('000)
1	Risk Weighted Exposure for Credit Risk	18,623,474
2	Risk Weighted Exposure for Operational Risk	1,081,774
3	Risk Weighted Exposure for Market Risk	146,144
4	5% of Gross Total Income	487,800
5	5 % of Total RWA	992,570
	Total Risk Weighted Exposures	21,331,761

Risk Weighted Exposure Calculation Table:

S.No	Particular	Amount ('000)
1	Total Risk Weighted Exposures	21,331,761
2	Total Core Capital (Tier I)	2,339,649
3	Total Capital Fund (Tier I + Tier II)	2,521,919
4	Total Core Capital to Total Risk Weighted Exposures	10.97%
5	Total Capital Fund to Total Risk Weighted Exposures	11.82%

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

SN	Category	Amount '000		
		Gross	Provision	Net
1	Restructure/Reshedule	177	22	155
2	Substandard	67,003	16,751	50,252
3	Doubtful	47,058	23,529	23,529
4	Loss	469,170	468,464	706
	TOTAL	583,407	508,765	74,642

NPA Ratio:

SN	NPA Ratios	Percentage
1	Gross NPA to Gross Advances	3.40%
2	Net NPA to Net Advances	0.45%

Movement of NPA:

				Amount '000
SN	Particulars	Opening Balance	Closing Balance	Increase/ (Decrease)
1	Restructure/Reshedule	227	177	(51)
2	Substandard	67,031	67,003	(28)
3	Doubtful	10,448	47,058	36,610
4	Loss	355,917	469,170	113,253
	TOTAL	433,623	583,407	149,784

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	549,721	681,276	131,555
2	Interest Suspense	240,467	250,270	9,803

Segregation of Investment Portfolio

SN	Particular	Amount ('000)
1	Held for trading	-
2	Held to maturity	3,451,126
3	Available for Sale	57,515
	TOTAL	3,508,641

Types of Eligible Credit Risk Mitigants used:

SN	Particular	Amount ('000)
1	Deposit with Own Bank	273,972
2	Deposit with other Banks/Financial Institutions	-
3	Gold	564,343
4	Securities of Government and NRB	-
5	Securities/Guarantee of Foreign Bank	-
	TOTAL	838,315