

**Basel II Disclosure as required by
Capital Adequacy Framework**

The extract of the Basel II reporting of the first quarter (2067/68) has been exhibited below:

1. Capital Structure and Capital Adequacy

▪ **Tier 1 Capital and a breakdown of its components: (Rs. In '000)**

Core Capital (Tier 1)		2,223,792
a.	Paid up Equity Share Capital	1,860,315
b.	Share Premium	35,870
c.	Statutory General Reserves	956,845
d.	Retained Earnings	(848,483)
e.	Un-audited current year cumulative profit	147,245
f.	Capital Adjustment Reserve	72,000

▪ **Tier 2 Capital and a breakdown of its components: (Rs. In '000)**

Supplementary Capital (Tier 2)		164,700
a.	General Loan Loss Provision	82,450
b.	Investment Adjustment Reserve	26,050
c.	Exchange Equalization Reserve	56,200
d.	Other Reserves (Deferred Tax Reserve)	-

▪ **Detailed Information About Subordinated Term Debts**

Bank does not have subordinated term debts.

▪ **Deductions from Capital (Rs. In '000)**

Deductions From Capital		(313,697)
a.	Miscellaneous expenditure not written off	(1,030)
b.	Investment in equity in licensed Financial Institutions	(9,700)
c.	Investment in equity of institutions with financial interests	(15,000)
d.	Investments arising out of underwriting commitments	(13,414)
e.	Loans extended to Shareholders holding more than 1% percent Shares	(274,553)

▪ **Total Qualifying Capital (In Rs. '000)**

Total Qualifying Capital		2,074,795
a.	Tier 1 Capital Less Deductions	1,910,095
b.	Tier 2 Capital	164,700

▪ **Capital Adequacy Ratio**

a.	Tier 1 Capital to Total Risk Weighted Exposures	10.91%
b.	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	11.85%

2. Risk Exposures

▪ Risk Weighted Exposures for Credit, Market and Operational Risk

(Rs. In '000)

Total Risk Weighted Exposures		17,514,500
a.	Risk Weighted Exposure for Credit Risk	16,246,752
b.	Risk Weighted Exposure for Operational Risk	1,198,643
c.	Risk Weighted Exposure for Market Risk	69,105

▪ Risk Weighted Exposures under each of 11 Categories of Credit Risk

(Rs. In '000)

Total Risk Weighted Exposures for Credit Risk		16,246,752.28
a.	Claims on government and central Bank	-
b.	Claims on other official entities	115,008.22
c.	Claims on Banks	144,719.16
d.	Claims on corporate and securities firms	2,988,582.42
e.	Claims on regulatory retail portfolio	413,264.77
f.	Claims secured by residential properties	337,592.63
g.	Claims secured by commercial real estate	84,068.81
h.	Past due claims (except for claim secured by residential properties)	573,155.12
i.	High risk claims	5,657,390.49
j.	Other Assets	843,169.35
k.	Off Balance sheet items	5,089,801.31

▪ Total Risk Weighted Exposure Calculation Table

(Rs. In '000)

S.N	Particulars	Amount
a.	Total Risk Weighted Exposure	17,514,500
b.	Total Core Capital Fund	1,910,095
c.	Total Capital Fund (Tier I and Tier II Capital)	2,074,795
d.	Tier 1 Capital to Total Risk Weighted Exposures	10.91%
e.	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	11.85%

▪ **Amount of NPA's (Both Gross and Net)**

(Amount in Rs.)

S.N	Particulars	Gross Amount	Loan loss Provision	Net Amount
a.	Restructured/ Reschedule Loan	281,840,369.00	60,372,765.33	221,467,603.67
b.	Substandard Loan	14,429,147.28	3,747,204.49	10,681,942.79
c.	Doubtful Loan	11,802,441.76	5,901,220.88	5,901,220.88
d.	Loss Loan	1,142,236,133.95	1,142,236,133.95	-
Total		1,450,308,091.99	1,212,257,324.64	238,050,767.35

▪ **NPA Ratios**

S.N.	Ratios	%
a.	Gross NPA to Gross Advances	14.96
b.	Net NPA to Net Advances	2.83

▪ **Movement of Non - Performing Assets**

(Amount in Rs.)

Particulars	Current Quarter	Previous Quarter	Change (%)
Non Performing Assets (NPA)	1,450,308,091.99	369,818,373.06	292.17

▪ **Write off of Loans and Interest Suspense during the Quarter**

There is no any write off of loans and interest suspense during the quarter.

▪ **Movements in Loan Loss Provisions and Interest Suspense**

Particulars	Current Quarter	Previous Quarter	Change (%)
Loan Loss Provision	1,295,127,660.89	1,297,771,947.63	(0.20)
Interest Suspense	739,643,045.98	639,537,963.23	15.65

▪ **Details of additional loan loss provisions**

S.No.	Borrower Name	Outstanding	Additional Provision (%)	Provision Amount
1.	ALL NEPALESE T&C.CEN.P.LTD	3500000	3.99	139917.67

▪ **Investment Portfolio**

(Amount in Rs.)

Particulars	Held To Maturity	Available for Sale
Investment on Treasury Bill	2,091,504,595.00	
Investment on Bond	357,387,635.00	
Placement (USD)	71,150,000.00	
Other Investment (NRS)	130,000,000.00	
Investment on Shares		64,607,500.00
Commercial Bank		9,700,000.00
Rural Development Bank		6,500,000.00
Rural Micro-Finance Development Center		4,531,000.00
Insurance Companies		15,000,000.00
Others		28,876,500.00
TOTAL	2,093,123,709.08	64,607,500.00