

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

The extract of the Basel II reporting of the Second quarter (2068/69) 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)		1,775,294
a.	Paid up Equity Share Capital	2,009,396
b.	Share Premium	35,870
c.	Statutory General Reserves	956,845
d.	Retained Earnings	(991,195)
e.	Un-audited current year cumulative profit	102,818
f.	Capital Adjustment Reserve	72,000

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

Supplementary Capital (Tier 2)		146,382
a.	General Loan Loss Provision	81,832
b.	Investment Adjustment Reserve	2,673
c.	Exchange Equalization Reserve	58,908
d.	Assets Revaluation Reserve	2,970
e.	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		(410,440)
a.	Miscellaneous expenditure not written off	-
b.	Investment in equity in licensed Financial Institutions	(9,700)
c.	Investment in equity of institutions with financial interests	(64,856)
d.	Loans extended to Shareholders holding more than 1% percent Shares	(335,884)

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

Total Qualifying Capital		1,921,676
a.	Tier 1 Capital Less Deductions	1,775,294
b.	Tier 2 Capital	146,382

■ **Capital Adequacy Ratio**

a.	Tier 1 Capital to Total Risk Weighted Exposures	9.25%
b.	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	10.02%

2. Risk Exposures

▪ Risk Weighted Exposures for Credit, Market and Operational Risk

(Rs. In '000)

Total Risk Weighted Exposures		19,183,476
a.	Risk Weighted Exposure for Credit Risk	16,655,193
b.	Risk Weighted Exposure for Operational Risk	1,450,004
c.	Risk Weighted Exposure for Market Risk	97,908
Add:		
	5 % of Total Risk Weighted Exposure as per Supervisory Review	910,155
	2% of gross income	68,212
	1 % of Net Interest Income	2004

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

(Rs. In '000)

Total Risk Weighted Exposures for Credit Risk		16,655,193
a.	Claims on government and central Bank	-
b.	Claims on other official entities	7,672.28
c.	Claims on Banks	94,784.33
d.	Claims on corporate and securities firms	3,496,732.55
e.	Claims on regulatory retail portfolio	695,551.36
f.	Claims secured by residential properties	301,110.43
g.	Claims secured by commercial real estate	68,468.47
h.	Past due claims (except for claim secured by residential properties)	318,181.84
i.	High risk claims	4,783,687.01
j.	Other Assets	814,152.03
k.	Off Balance sheet items	6,057,113.75

■ **Total Risk Weighted Exposure Calculation Table**

(Rs. In '000)

S.N	Particulars	Amount
a.	Total Risk Weighted Exposure	19,183,476
b.	Total Core Capital Fund	1,775,294
c.	Total Capital Fund (Tier I and Tier II Capital)	1,921,676
d.	Tier 1 Capital to Total Risk Weighted Exposures	9.25 %
e.	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	10.02 %

■ **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	82,155,936.76	25,300,011.30	56,855,925.47
b.	Substandard Loan	38,854,358.44	15,679,741.86	23,174,616.58
c.	Doubtful Loan	256,839,051.44	113,223,975.82	143,615,075.62
d.	Loss Loan	1,618,845,808.55	1,623,284,538.86	(4,438,730.31)
Total		1,996,695,155.19	1,777,488,267.84	219,206,887.35

■ **NPA Ratios**

S.N.	Ratios	%
a.	Gross NPA to Gross Advances	18.58
b.	Net NPA to Net Advances	2.47

- **Movement of Non - Performing Assets**

(Amount in Rs.)

Particulars	Current Quarter	Previous Quarter	Change (%)
Non Performing Assets (NPA)	1,996,695,155.19	1,974,146,073.10	1%

- **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	1,868,763,357.12	1,799,755,869.40	4
Interest Suspense	1,107,077,314.03	1,051,659,938.98	5

- **Details of additional loan loss provisions**

There is not additional loan loss provision during the quarter

- **Investment Portfolio**

(Amount in Rs.)

Particulars	Held To Maturity	Available for Sale
Investment on Treasury Bill	3,001,184,557.00	
Investment on Bond	357,407,330.00	
Placement (USD)	82,300,000.00	
Other Investment (NRS)	20,747,000.00	
Investment on Shares		119,092,972.82

Commercial Bank		9,700,000.00
Rural Development Bank		6,500,000.00
Rural Micro-Finance Development Center		4,531,000.00
Insurance Companies		64,250,000.00
Others		34,111,972.82
TOTAL	3,461,638,887.00	119,092,972.82