

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

The extract of the Basel II reporting of the Fourth quarter (2072/73) 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)		6,023,985
a.	Paid up Equity Share Capital	3,039,211
b.	Proposed Bonus Equity Shares	-
c.	Statutory General Reserves	1,825,391
d.	Retained Earnings	1,091,825
e.	Un-audited current year cumulative profit	-
f.	Capital Adjustment Reserve	-
g.	Other free Reserve	67,558

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

Supplementary Capital (Tier 2)		411,198
a.	General Loan Loss Provision	344,662
b.	Investment Adjustment Reserve	2,673
c.	Exchange Equalization Reserve	63,864
d.	Other Reserves	-

▪ **Detailed Information About Subordinated Term Debts**

Bank does not have subordinated term debts.

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

Deductions From Capital		(341,556)
a.	Miscellaneous expenditure not written off	-
b.	Investment in equity in licensed Financial Institutions	-
c.	Investment in equity of institutions with financial interests	(10,606)
d.	Loans extended to Shareholders holding more than 1% percent shares	(265,417)
e.	Land & Building not used since more than 3 Years (8.7 chha)	-
f.	Deferred Tax Assets	(65,533)

(In Rs. '000)

Total Qualifying Capital		6,093,627
a.	Tier 1 Capital Less Deductions	5,682,429
b.	Tier 2 Capital	411,198

▪ **Capital Adequacy Ratio**

a.	Tier 1 Capital to Total Risk Weighted Exposures	10.31%
b.	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	11.05%

2. Risk Exposures

■ Risk Weighted Exposures for Credit, Market and Operational Risk

(Rs. In '000)

Total Risk Weighted Exposures		55,139,634
a.	Risk Weighted Exposure for Credit Risk	49,194,556
b.	Risk Weighted Exposure for Operational Risk	2,083,326
c.	Risk Weighted Exposure for Market Risk	877,245
Add:		
	4 % of Total Risk Weighted Exposure as per Supervisory Review	2,086,705
	5% of gross income	886,900
	1 % of Net Interest Income	10,902

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

(Rs. In '000)

Total Risk Weighted Exposures for Credit Risk		49,194,556
a.	Claims on government and central Bank	-
b.	Claims on other official entities	36,799
c.	Claims on Banks	1,947,892
d.	Claims on corporate and securities firms	17,884,951
e.	Claims on regulatory retail portfolio	4,903,445
f.	Claims secured by residential properties	2,005,851
g.	Claims secured by commercial real estate	796,091
h.	Past due claims (except for claim secured by residential properties)	23,845
i.	High risk claims	2,921,998
j.	Staff Loan secured by residential properties	259,118
k.	Other Assets	595,959
l.	Off Balance sheet items	17,818,607

■ Total Risk Weighted Exposure Calculation Ta

(Rs. In '000)

S.N	Particulars	Amount
a.	Total Risk Weighted Exposure	55,139,634
b.	Total Core Capital Fund	5,682,429
c.	Total Capital Fund (Tier I and Tier II Capital)	6,093,627
d.	Tier 1 Capital to Total Risk Weighted Exposures	10.31%
e.	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	11.05%

■ 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	-	-	-
b.	Substandard Loan	15,430,388	3,857,597	11,572,791
c.	Doubtful Loan	27,739,103	13,869,551	13,869,551
d.	Loss Loan	188,275,076	188,275,076	-
e.	Additional		2,464,223	(2,464,223)
	Total	231,444,566	208,466,447	22,978,119

▪ **NPA Ratios**

S.N.	Ratios	%
a.	Gross NPA to Gross Advances	0.71
b.	Net NPA to Net Advances	0.08

▪ **Movement of Non - Performing Assets**

(Amount in Rs.)

Particulars	Current Quarter	Previous Quarter	Change (%)
Non Performing Assets (NPA)	231,444,566	511,094,368	-54.72%

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

S.No	Name of Account	Facility	Write-off		
			Principal	Interest	Total
a	Bagmati Apparels	G'tee Claim	5,176,430.00		5,176,430.00
b	Prabha Apparels	G'tee Claim	4,612,179.65	1,979,471.71	6,591,651.36
c	Chatra Bdr. Rokka Chhetri	S. Housing	2,800,711.96	265,687.30	3,066,399.26
		FORCE LOAN	28,757.00	1,012.27	29,769.27
d	Krishna Modern Dal Udhog	PC	4,060,652.02		4,060,652.02
e.	Travellers Cheques (TC)	TC	130,478.25		130,478.25

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

(Amount in Rs.)

Particulars	Current Quarter	Previous Quarter	Change (%)
Loan Loss Provision	553,128,179	661,489,501	-16.38%
Interest Suspense	240,697,312	297,520,963	-19.10%

▪ **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	691,484,810	
Investment on Govt. Bond	974,033,798	
Investment on NRB Bond	870,000,000	
Placement (USD)	1,873,270,287	
Investment on Shares		
Nepal Gramin Bikas Bank		6,500,000
Rural Micro-Finance Development Center		4,531,000
Insurance Companies		14,250,000
Swift Investment		404,001
Investment on Mutual fund		47,216,380
HIDCL		11,585,500
NEPS		15,000,000
Others		15,871,064
TOTAL	4,408,788,894	115,357,945