

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

The extract of the Basel II reporting of the First 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)		4,951,847
a.	Paid up Equity Share Capital	2,430,289
b.	Proposed Bonus Equity Shares	608,922
c.	Statutory General Reserves	1,585,732
d.	Retained Earnings	134,454
e.	Un-audited current year cumulative profit	124,892
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)		356,371
a.	General Loan Loss Provision	291,103
b.	Investment Adjustment Reserve	2,673
c.	Exchange Equalization Reserve	62,596
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		(350,087)
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	(265,384)
e.	Land & Building not used since more than 3 Years (8.7 chha)	(6,765)
f.	Deferred Tax Assets	(67,333)

(In Rs. '000)

Total Qualifying Capital		4,958,131
a.	Tier 1 Capital Less Deductions	4,601,760
b.	Tier 2 Capital	356,371

▪ **Capital Adequacy Ratio**

a.	Tier 1 Capital to Total Risk Weighted Exposures	10.06%
b.	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	10.84%

2. Risk Exposures

■ Risk Weighted Exposures for Credit, Market and Operational Risk

(Rs. In '000)

Total Risk Weighted Exposures		45,753,430
a.	Risk Weighted Exposure for Credit Risk	40,280,541
b.	Risk Weighted Exposure for Operational Risk	2,097,303
c.	Risk Weighted Exposure for Market Risk	740,932
Add:		
	4 % of Total Risk Weighted Exposure as per Supervisory Review	1,724,751
	5% of gross income	899,000
	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		40,280,541
a.	Claims on government and central Bank	-
b.	Claims on other official entities	494
c.	Claims on Banks	1,633,930
d.	Claims on corporate and securities firms	14,935,966
e.	Claims on regulatory retail portfolio	3,744,186
f.	Claims secured by residential properties	1,904,428
g.	Claims secured by commercial real estate	761,828
h.	Past due claims (except for claim secured by residential properties)	192,614
i.	High risk claims	1,965,859
j.	Staff Loan secured by residential properties	247,561
k.	Other Assets	667,338
l.	Off Balance sheet items	14,226,337

■ Total Risk Weighted Exposure Calculation Table

(Rs. In '000)

S.N	Particulars	Amount
a.	Total Risk Weighted Exposure	45,753,430
b.	Total Core Capital Fund	4,601,760
c.	Total Capital Fund (Tier I and Tier II Capital)	4,958,131
d.	Tier 1 Capital to Total Risk Weighted Exposures	10.06%
e.	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	10.84%

■ 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	167,350,589	41,837,647	125,512,942
c.	Doubtful Loan	12,168,270	6,084,135	6,084,135
d.	Loss Loan	160,226,430	160,226,430	-

e.	Additional		3,028,457	(3,028,457)
Total		339,745,289	211,176,669	128,568,620

▪ **NPA Ratios**

S.N.	Ratios	%
a.	Gross NPA to Gross Advances	1.26
b.	Net NPA to Net Advances	0.50

▪ **Movement of Non - Performing Assets**

(Amount in Rs.)

Particulars	Current Quarter	Previous Quarter	Change (%)
Non Performing Assets (NPA)	339,745,289	340,191,713	-0.13%

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

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

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

(Amount in Rs.)

Particulars	Current Quarter	Previous Quarter	Change (%)
Loan Loss Provision	502,279,270	487,214,960	3.09%
Interest Suspense	318,015,305	227,189,952	39.98%

▪ **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	1,675,949,682	
Investment on Bond	264,975,683	
Placement (USD)	1,903,320,152	
Investment on NRB Deposit	2,690,000,000	
Investment on interbank lending	300,000,000	
Investment on Shares		
Rural Development 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		23,483,450
Others		15,866,964
TOTAL	6,834,245,517	65,035,415