

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

The extract of the Basel II reporting of the Third 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)		5,527,360
a.	Paid up Equity Share Capital	3,037,129
b.	Proposed Bonus Equity Shares	2,082
c.	Statutory General Reserves	1,585,732
d.	Retained Earnings	134,454
e.	Un-audited current year cumulative profit	700,406
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)		393,851
a.	General Loan Loss Provision	328,583
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		(343,322)
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)	-
f.	Deferred Tax Assets	(67,333)

(In Rs. '000)

Total Qualifying Capital		5,577,890
a.	Tier 1 Capital Less Deductions	5,184,038
b.	Tier 2 Capital	393,851

▪ **Capital Adequacy Ratio**

a.	Tier 1 Capital to Total Risk Weighted Exposures	9.82%
b.	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	10.57%

2. Risk Exposures

■ Risk Weighted Exposures for Credit, Market and Operational Risk

(Rs. In '000)

Total Risk Weighted Exposures		52,782,407
a.	Risk Weighted Exposure for Credit Risk	46,982,964
b.	Risk Weighted Exposure for Operational Risk	2,097,303
c.	Risk Weighted Exposure for Market Risk	797,141
Add:		
	4 % of Total Risk Weighted Exposure as per Supervisory Review	1,995,096
	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		46,982,964
a.	Claims on government and central Bank	-
b.	Claims on other official entities	28,840
c.	Claims on Banks	2,166,560
d.	Claims on corporate and securities firms	17,232,898
e.	Claims on regulatory retail portfolio	4,409,110
f.	Claims secured by residential properties	2,000,228
g.	Claims secured by commercial real estate	800,890
h.	Past due claims (except for claim secured by residential properties)	192,529
i.	High risk claims	3,027,682
j.	Staff Loan secured by residential properties	252,252
k.	Other Assets	905,998
l.	Off Balance sheet items	15,965,978

■ Total Risk Weighted Exposure Calculation Table

(Rs. In '000)

S.N	Particulars	Amount
a.	Total Risk Weighted Exposure	52,782,407
b.	Total Core Capital Fund	5,184,038
c.	Total Capital Fund (Tier I and Tier II Capital)	5,577,890
d.	Tier 1 Capital to Total Risk Weighted Exposures	9.82%
e.	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	10.57%

■ 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	173,081,361	43,270,340	129,811,021
c.	Doubtful Loan	101,681,647	50,840,823	50,840,823
d.	Loss Loan	236,331,360	236,331,360	-

e.	Additional		2,464,023	(2,464,023)
Total		511,094,368	332,906,547	178,187,820

▪ **NPA Ratios**

S.N.	Ratios	%
a.	Gross NPA to Gross Advances	1.63
b.	Net NPA to Net Advances	0.59

▪ **Movement of Non - Performing Assets**

(Amount in Rs.)

Particulars	Current Quarter	Previous Quarter	Change (%)
Non Performing Assets (NPA)	511,094,368	314,614,389	62.45%

▪ **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	661,489,501	552,393,559	19.75%
Interest Suspense	297,520,963	301,367,574	-1.28%

▪ **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	1,092,714,628	
Investment on Bond	564,756,540	
Placement (USD)	1,856,053,090	
Investment on NRB Deposit	1,405,350,000	
Investment on Interbank Lending	700,000,000	
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
Others		15,866,964
TOTAL	5,618,874,257	100,353,845