

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

The extract of the Basel II reporting of the Fourth 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)		1,727,498
a.	Paid up Equity Share Capital	2,009,396
b.	Share Premium	35,870
c.	Statutory General Reserves	956,845
d.	Retained Earnings	(1,286,576)
e.	Un-audited current year cumulative profit	415,509
f.	Capital Adjustment Reserve	72,000

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

Supplementary Capital (Tier 2)		142,423
a.	General Loan Loss Provision	82,747
b.	Investment Adjustment Reserve	2,650
c.	Exchange Equalization Reserve	57,027
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		(475,545)
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	(90,001)
d.	Investments arising out of underwriting commitments	(13,414)
e.	Loans extended to Shareholders holding more than 1% percent Shares	(362,431)

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

Total Qualifying Capital		1,869,921
a.	Tier 1 Capital Less Deductions	1,727,498
b.	Tier 2 Capital	142,423

▪ **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	10.63%

2. Risk Exposures

▪ Risk Weighted Exposures for Credit, Market and Operational Risk

(Rs. In '000)

Total Risk Weighted Exposures		17,585,028.
a.	Risk Weighted Exposure for Credit Risk	15,412,823
b.	Risk Weighted Exposure for Operational Risk	1,198,643
c.	Risk Weighted Exposure for Market Risk	111,373
Add:		
	5 % of Total Risk Weighted Exposure as per Supervisory Review	836,142
	2% of gross income	19,259
	1 % of Net Interest Income	6,788

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

(Rs. In '000)

Total Risk Weighted Exposures for Credit Risk		15,412,823
a.	Claims on government and central Bank	-
b.	Claims on other official entities	89,870.97549
c.	Claims on Banks	273,076.21906
d.	Claims on corporate and securities firms	2,930,463.57709
e.	Claims on regulatory retail portfolio	855,504.66
f.	Claims secured by residential properties	312,228.86
g.	Claims secured by commercial real estate	72,192.62
h.	Past due claims (except for claim secured by residential properties)	437,774.42
i.	High risk claims	4,565,704.71
j.	Other Assets	905,574.06
k.	Off Balance sheet items	4,970,433.35

▪ Total Risk Weighted Exposure Calculation Table

(Rs. In '000)

S.N	Particulars	Amount
a.	Total Risk Weighted Exposure	17,585,028
b.	Total Core Capital Fund	1,727,498
c.	Total Capital Fund (Tier I and Tier II Capital)	142,423
d.	Tier 1 Capital to Total Risk Weighted Exposures	9.82 %
e.	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	10.63 %

▪ **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	215,797,921.51	47,005,259.39	168,792,662.12
b.	Substandard Loan	115,095,744.06	34,173,936.02	80,921,808.05
c.	Doubtful Loan	35,011,983.68	7,505,991.84	17,505,991.84
d.	Loss Loan	1,597,650,432.30	1,597,650,432.30	-
Total		1,963,556,081.55	1,696,335,619.54	267,220,462.01

▪ **NPA Ratios**

S.N.	Ratios	%
a.	Gross NPA to Gross Advances	19.18
b.	Net NPA to Net Advances	3.16

▪ **Movement of Non - Performing Assets**

(Amount in Rs.)

Particulars	Current Quarter	Previous Quarter	Change (%)
Non Performing Assets (NPA)	1,963,556,081.55	2,097,422,226.18	(0.06)

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

(Amount in Rs.)

Clint Name	Principal	Interest	Change (%)
Birat Shoe Co. Ltd.	0.20	-	
Silver Fiber Industries Pvt. Ltd.	228,745.66	-	

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

Particulars	Current Quarter	Previous Quarter	Change (%)
Loan Loss Provision	1,779,577,081.33	1,887,367,228.00	(5.71)

Interest Suspense	936,374,746.03	916,429,137.22	2
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- **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	1,756,237,124.00	
Investment on Bond	357,562,402.50	
Placement (USD)	204,487,500.00	
Other Investment (NRS)	20,747,000.00	
Investment on Shares		133,897,763.82
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		48,643,973.00
TOTAL	2,339,034,026.50	133,624,972.82