

Disclosure Under BASEL II (1st Quarter) Ashwin 2068**Capital Structure:**

The following is the **Tier 1 capital** and breakdown of its components:

S.No	Particulars	Amount ('000)
1.1	Paid up Equity Share Capital	1,400,000
1.2	Proposed Bonus Equity Shares	-
1.3	Statutory General Reserves	298,079
1.4	Retained Earnings	12,051
1.5	Other Free Reserve	7,919
1.6	Share Premium	84
1.7	Un-audited current year cumulative profit	21,847
1.8	Deduction from Capital	(139,361)
	Core Capital (Tier I)	1,600,619

The following is the **Tier 2 capital** and breakdown of its components:

S.No	Particulars	Amount ('000)
2.1	Subordinated Term Debt	-
2.2	General loan loss provision	86,937
2.3	Exchange Equalization Reserve	886
2.4	Investment Adjustment reserve	434
	Supplementary Capital (Tier II)	88,257

Subordinated Term Debt:

The Bank has not issued any Subordinated Term Debt instrument.

Deductions from Capital:

Investments in other financial institutions licensed by Nepal Rastra Bank, and promoters' financially

S.No	Particular	Amount ('000)
2.1	Ordinary Shares of Shangila Housing (250,000 units)	25,000
2.2	Ordinary Shares of NB Insurance Co. (146,000 units)	14,600
2.3	Loan to Harishidhi Bricks & Tile Factory	122
2.4	Loan to National Hydro Power Company	99,639
	Total	139,361

Total Qualifying Assets

S.No	Particular	Amount ('000)
1	Core Capital (Tier I)	1,600,619
2	Supplementary Capital (Tier II)	88,257
	Total Capital Fund (Tier I and Tier II)	1,688,876

Risk weighted exposure under each of 11 categories of Credit Risk

S.No	Particular	Amount ('000)
1	Claims on government & central bank	-
2	Claims on other official entities	152,906
3	Claims on banks	289,228
4	Claims on corporate & securities firms	5,261,331
5	Claims on regulatory retail portfolio	608,334
6	Claims secured by residential properties	344,132
7	Claims secured by commercial real state	408,080
8	Past due claims	238,602
9	High risk claims	1,160,837
10	Other assets	637,503
11	Off balance sheet items	1,443,535
	Total	10,544,488

Risk weighted Exposures:

S.No	Particular	Amount ('000)
1	Risk Weighted Exposure for Credit Risk	10,544,488
2	Risk Weighted Exposure for Operational Risk	876,035
3	Risk Weighted Exposure for Market Risk	64,496
4	2% of Gross Total Income	21,421
5	5 % of Total RWA	574,251
	Total Risk Weighted Exposures	12,080,691

Risk Weighted Exposure Calculation Table:

S.No	Particular	Amount ('000)
1	Total Risk Weighted Exposures	12,080,691
2	Total Core Capital (Tier I)	1,600,619
3	Total Capital Fund (Tier I + Tier II)	1,688,876
4	Total Core Capital to Total Risk Weighted Exposures	13.25%
5	Total Capital Fund to Total Risk Weighted Exposure	13.98%

Amount of Non -Performing Assets (Gross and Net):

Amount '000

SN	Category	Gross	Provision	Net
1	Restructure/Reshedule	103,707	103,221	486
2	Substandard	36,109	9,027	27,082
3	Doubtful	70,572	35,248	35,324
4	Loss	164,087	163,178	909
	TOTAL	374,475	310,674	63,801

NPA Ratio:

SN	NPA Ratios	Percentage
1	Gross NPA to Gross Advances	4.11%
2	Net NPA to Net Advances	0.73%

Movement of NPA:

Amount '000

SN	Particulars	Opening Balance	Closing Balance	Increase/ (Decrease)
1	Restructure/Reshedule	103,758	103,707	(51)
2	Substandard	44,489	36,109	(8,380)
3	Doubtful	51,645	70,572	18,927
4	Loss	152,722	164,087	11,365
	TOTAL	352,614	374,475	21,861

Write Off of Loans and Interest Suspense:

SN	Particular	Amount ('000)
1	Loans Written Off	-
2	Interest written Off	-
	TOTAL	-

Movement in Loan Loss Provision and Interest Suspense:

Amount '000

SN	Particular	Opening Balance	Closing Balance	Increase/ (Decrease)
1	Loan Loss Provision	394,614	408,041	13,427
2	Interest Suspense	138,896	178,149	39,253

Seggregation of Investment Portfolio

SN	Particular	Amount ('000)
1	Held for trading	-
2	Held to maturity	2,036,253
3	Available for Sale	99,148
	TOTAL	2,135,401

Types of Eligible Credit Risk Mitigants used:

SN	Particular	Amount ('000)
1	Deposit with Own Bank	186,151
2	Deposit with other Banks/Financial Institutions	-
3	Gold	353,553
4	Securities of Government and NRB	-
5	Securities/Guarantee of Foreign Bank	-
	TOTAL	539,704