

## Disclosure Under BASEL II ( 2nd Quarter ended 2010/11 )

### 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	1,399,672
1.2	Proposed Bonus Equity Shares	-
1.3	Statutory General Reserves	305,997
1.4	Retained Earnings	(208,847)
1.5	Un-audited current year cumulative profit	95,773
1.6	Deduction from Capital	(153,866)
	<b>Core Capital (Tier I )</b>	<b>1,438,729</b>

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	142,681
2.3	Exchange Equalization Reserve	886
2.4	Other Reserves	-
	<b>Supplementary Capital (Tier II)</b>	<b>143,567</b>

### 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 interested companies

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	121
2.4	Loan to National Hydro Power Company	114,145
	<b>Total</b>	<b>153,866</b>

### Total Qualifying Assets

S.No	Particular	Amount ( '000)
1	Core Capital (Tier I )	1,438,729
2	Supplementary Capital (Tier II)	143,567
	<b>Total Capital Fund (Tier I and Tier II)</b>	<b>1,582,296</b>

### 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	150,238
3	Claims on banks	315,169
4	Claims on corporate & securities firms	4,984,771
5	Claims on regulatory retail portfolio	720,232
6	Claims secured by residential properties	375,719
7	Claims secured by commercial real state	445,465
8	Past due claims	371,625
9	High risk claims	1,327,556
10	Other assets	517,753
11	Off balance sheet items	1,240,637
	<b>Total</b>	<b>10,449,165</b>

### Risk weighted Exposures:

S.No	Particular	Amount ( '000)
1	Risk Weighted Exposure for Credit Risk	10,449,165
2	Risk Weighted Exposure for Operational Risk	876,035
3	Risk Weighted Exposure for Market Risk	39,756
4	Risk Weighted Exposure for Market Risk by Supervisor	49,524
5	Additional Total Risk Weighted Exposure by NRB	568,247
	<b>Total Risk Weighted Exposures</b>	<b>11,982,727</b>

**Risk Weighted Exposure Calculation Table:**

S.No	Particular	Amount ( '000)
1	Total Risk Weighted Exposures	11,982,727
2	Total Core Capital (Tier I )	1,438,729
3	Total Capital Fund (Tier I + Tier II )	1,582,296
4	Total Core Capital to Total Risk Weighted Exposures	12.01%
5	Total Capital Fund to Total Risk Weighted Exposures	13.20%

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

				Amount '000
SN	Category	Gross	Provision	Net
1	Restructure/Reshedule	148,458	125,376	23,082
2	Substandard	16,528	4,132	12,396
3	Doubtful	18,736	9,368	9,368
4	Loss	149,595	148,663	932
	<b>TOTAL</b>	<b>333,317</b>	<b>287,539</b>	<b>45,778</b>

**NPA Ratio:**

SN	NPA Ratios	Percentage
1	Gross NPA to Gross Advances	3.69%
2	Net NPA to Net Advances	0.53%

**Movement of NPA:**

					Amount '000
SN	Particulars	Opening Balance	Closing Balance	Increase / ( Decrease )	
1	Restructure/Reshedule	104,245	148,458	44,213	
2	Substandard	36,164	16,528	(19,636)	
3	Doubtful	59,801	18,736	(41,065)	
4	Loss	158,898	149,595	(9,303)	
	<b>TOTAL</b>	<b>359,108</b>	<b>333,317</b>	<b>(25,791)</b>	

**Write Off of Loans and Interest Suspense:**

SN	Particular	Amount ( '000)
1	Loans Written Off	12,457
2	Interest written Off	11,489
	<b>TOTAL</b>	<b>23,946</b>

**Movement in Loan Loss Provision and Interest Suspense:**

					Amount '000
SN	Particular	Opening Balance	Closing Balance	Increase / ( Decrease )	
1	Loan Loss Provision	392,444	379,406	(13,038)	
2	Interest Suspense	156,500	159,181	2,681	

**Segregation of Investment Portfolio**

SN	Particular	Amount ( '000)
1	Held for trading	-
2	Held to maturity	1,955,396
3	Available for Sale	99,148
	<b>TOTAL</b>	<b>2,054,544</b>

**Types of Eligible Credit Risk Mitigants used:**

SN	Particular	Amount ( '000)
1	Deposit with Own Bank	363,564
2	Deposit with other Banks / Financial Institutions	-
3	Gold	203,361
4	Securities of Government and NRB	-
5	Securities/ Guarantee of Foreign Bank	-
	<b>TOTAL</b>	<b>566,925</b>