

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

The extract of the Basel II reporting of the First quarter (2071/72) 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)		4,091,737
a.	Paid up Equity Share Capital	2,209,393
b.	Proposed Bonus Equity Shares	221,972
c.	Statutory General Reserves	1,422,938
d.	Retained Earnings	123,240
e.	Un-audited current year cumulative profit	46,636
f.	Capital Adjustment Reserve	-
g.	Deferred Tax Reserve	67,558

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

Supplementary Capital (Tier 2)		272,240
a.	General Loan Loss Provision	207,106
b.	Investment Adjustment Reserve	2,673
c.	Exchange Equalization Reserve	62,462
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		(686,129)
a.	Miscellaneous expenditure not written off	-
b.	Investment in equity in licensed Financial Institutions	-
c.	Investment in equity of institutions with financial interests	(74,856)
d.	Loans extended to Shareholders holding more than 1% percent shares	(531,323)
e.	Land & Building not used since more than 3 Years (8.7 chha)	(79,950)

(In Rs. '000)

Total Qualifying Capital		3,677,848
a.	Tier 1 Capital Less Deductions	3,405,608
b.	Tier 2 Capital	272,240

▪ **Capital Adequacy Ratio**

a.	Tier 1 Capital to Total Risk Weighted Exposures	10.18%
b.	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	10.99%

2. Risk Exposures

▪ Risk Weighted Exposures for Credit, Market and Operational Risk

(Rs. In '000)

Total Risk Weighted Exposures		33,454,214
a.	Risk Weighted Exposure for Credit Risk	29,880,211
b.	Risk Weighted Exposure for Operational Risk	1,259,370
c.	Risk Weighted Exposure for Market Risk	409,988
Add:		
	4 % of Total Risk Weighted Exposure as per Supervisory Review	1,261,983
	5% of gross income	634,100
	1 % of Net Interest Income	8,563

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

(Rs. In '000)

Total Risk Weighted Exposures for Credit Risk		29,880,211
a.	Claims on government and central Bank	-
b.	Claims on other official entities	10,583
c.	Claims on Banks	577,629
d.	Claims on corporate and securities firms	11,488,994
e.	Claims on regulatory retail portfolio	2,916,224
f.	Claims secured by residential properties	1,319,456
g.	Claims secured by commercial real estate	1,131,253
h.	Past due claims (except for claim secured by residential properties)	196,694
i.	High risk claims	986,115
j.	Staff Loan secured by residential properties	242,603
k.	Other Assets	787,198
l.	Off Balance sheet items	10,223,462

▪ Total Risk Weighted Exposure Calculation Table

(Rs. In '000)

S.N	Particulars	Amount
a.	Total Risk Weighted Exposure	33,454,214
b.	Total Core Capital Fund	3,405,608
c.	Total Capital Fund (Tier I and Tier II Capital)	3,677,848
d.	Tier 1 Capital to Total Risk Weighted Exposures	10.18%
e.	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	10.99%

▪ 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	174,606,676	43,651,669	130,955,007
c.	Doubtful Loan	5,558,504	2,779,252	2,779,252

d.	Loss Loan	228,281,560	228,281,560	-
e.	Additional			-
Total		408,446,740	274,712,481	133,734,259

▪ **NPA Ratios**

S.N.	Ratios	%
a.	Gross NPA to Gross Advances	1.94
b.	Net NPA to Net Advances	0.65

▪ **Movement of Non - Performing Assets**

(Amount in Rs.)

Particulars	Current Quarter	Previous Quarter	Change (%)
Non Performing Assets (NPA)	408,446,740	258,000,287	58.31%

▪ **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	481,818,305	408,006,483	18.09%
Interest Suspense	270,019,592	195,383,958	38.20%

▪ **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	2,297,773,418	
Investment on Bond	265,210,367	
Placement (USD)	660,994,943	
Investment on NRB Deposit	2,727,500,000	
Investment on Interbank lending	550,000,000	
Investment on Shares		
Rural Development Bank		6,500,000
Rural Micro-Finance Development Center		4,531,000
Insurance Companies		64,250,000
Others		15,866,964
TOTAL	6,501,478,729	91,147,964