

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

The extract of the Basel II reporting of the Fourth quarter (2068/69) 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)		2,391,586
a.	Paid up Equity Share Capital	2,009,396
b.	Share Premium	35,870
c.	Statutory General Reserves	956,845
d.	Retained Earnings	(991,195)
e.	Un-audited current year cumulative profit	702,900
f.	Capital Adjustment Reserve	72,000

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

Supplementary Capital (Tier 2)		212,861
a.	General Loan Loss Provision	151,280
b.	Investment Adjustment Reserve	2,673
c.	Exchange Equalization Reserve	58,908
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		(394,230)
a.	Miscellaneous expenditure not written off	-
b.	Investment in equity in licensed Financial Institutions	(6,986)
c.	Investment in equity of institutions with financial interests	(20,368)
d.	Loans extended to Shareholders holding more than 1% percent Shares	(366,876)

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

Total Qualifying Capital		2,604,447
a.	Tier 1 Capital Less Deductions	2,391,586
b.	Tier 2 Capital	212,861

▪ **Capital Adequacy Ratio**

a.	Tier 1 Capital to Total Risk Weighted Exposures	12.22%
b.	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	13.31%

2. Risk Exposures

▪ **Risk Weighted Exposures for Credit, Market and Operational Risk**

(Rs. In '000)

Total Risk Weighted Exposures		19,567,813
a.	Risk Weighted Exposure for Credit Risk	16,962,241
b.	Risk Weighted Exposure for Operational Risk	1,450,004

c.	Risk Weighted Exposure for Market Risk	65,401
Add:		
	5 % of Total Risk Weighted Exposure as per Supervisory Review	923,882
	2% of gross income	161,372
	1 % of Net Interest Income	4,912

■ **Risk Weighted Exposures under each of 11 Categories of Credit Risk**

(Rs. In '000)

Total Risk Weighted Exposures for Credit Risk		16,962,241
a.	Claims on government and central Bank	-
b.	Claims on other official entities	273,375
c.	Claims on Banks	144,655
d.	Claims on corporate and securities firms	5,930,829
e.	Claims on regulatory retail portfolio	1,557,178
f.	Claims secured by residential properties	362,831
g.	Claims secured by commercial real estate	353,219
h.	Past due claims (except for claim secured by residential properties)	3,277
i.	High risk claims	808,837
j.	Other Assets	732,788
k.	Off Balance sheet items	6,795,253

■ **Total Risk Weighted Exposure Calculation Table**

(Rs. In '000)

S.N	Particulars	Amount
a.	Total Risk Weighted Exposure	19,567,813
b.	Total Core Capital Fund	2,391,586
c.	Total Capital Fund (Tier I and Tier II Capital)	2,604,447
d.	Tier 1 Capital to Total Risk Weighted Exposures	12.22 %
e.	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	13.31 %

■ **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	5,563,648	1,390,912	4,172,736
c.	Doubtful Loan	6,802,802	3,401,401	3,401,401
d.	Loss Loan	457,013,685	457,013,685	-
e.	Additional		44,456,966	(44,456,966)
Total		469,380,135	506,262,964	(36,882,829)

■ **NPA Ratios**

S.N.	Ratios	%
a.	Gross NPA to Gross Advances	4.29
b.	Net NPA to Net Advances	0.07

■ **Movement of Non - Performing Assets**

(Amount in Rs.)

Particulars	Current Quarter	Previous Quarter	Change (%)
Non Performing Assets (NPA)	469,380,134.92	1,102,584,076.71	-57%

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

S.N.	Name of the Borrower	Principal	Interest	Total
1.	ALLIED INTERNATIONAL	367,846	13,179	381,026
2.	SUMMIT INVESTMENT P.LTD	15,659,651	3,276,035	18,935,686
3.	NARENDRA BAHADUR MAHARJAN	13,376,776	-	13,376,776
4.	NEPAL MEDICAL HEALTH	38,307,054	-	38,307,054
5.	RABINDRA BAHADUR SINGH	20,044,122	8,347,601	28,391,723
6.	SOHIT SHRESTHA	18,372,904	-	18,372,904
7.	MOMENTO APPARELS P. LTD.	204,655,752	166,429,145	371,084,897
8.	CHANDI RAJ DHAKAL	20,800,000	7,065,381	27,865,381
9.	PRAKASH GHIMIRE	20,800,000	7,066,605	27,866,605
10.	GANGADHAM WOOLEN UDYOG	4,415,183	5,531,599	9,946,782
11.	BIDUR BHARATI	507,659	510,377	1,018,037
12.	MORANG HOUSING & DEV C.P.	18,846,714	25,503,548	44,350,262
13.	DHANARAJ SHARMA	40,749	34,980	75,729
14.	DUNDI RAJ/SIWAN RAI	548,098	505,677	1,053,775
15.	KAILASH KR. YADAV	54,839	14,898	69,737
16.	KUMARI BUILDERS DEV.CO.LT	1,352,875	1,024,259	2,377,135
17.	NEPAL CHHAPAKHANA	17,418,200	12,979,678	30,397,878
18.	RADIANT FUNWARE FASHIONS	20,139,232	2,176,558	22,315,790
	Total	415,707,656	240,479,521	656,187,177

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

Particulars	Current Quarter	Previous Quarter	Change (%)
Loan Loss Provision	613,086,321	1,142,618,084	-46%
Interest Suspense	251,608,030	618,226,399	-59%

■ **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	3,368,098,129	
Investment on Bond	356,845,058	
Placement (USD)	115,651,625	
Investment on Shares		
Commercial Bank		6,986,000
Rural Development Bank		6,500,000
Rural Micro-Finance Development Center		4,531,000
Insurance Companies		642,500
Others		25,086,373
TOTAL	3,840,594,812	43,745,873