

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

The extract of the Basel II reporting of the Third 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)		2562,939
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	480,023
f.	Capital Adjustment Reserve	72,000

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

Supplementary Capital (Tier 2)		156,520
a.	General Loan Loss Provision	94,939
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		(124,023)
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	(2,223)
d.	Loans extended to Shareholders holding more than 1% percent Shares	(112,100)

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

Total Qualifying Capital		2,595,436
a.	Tier 1 Capital Less Deductions	2,438,916
b.	Tier 2 Capital	156,520

▪ **Capital Adequacy Ratio**

a.	Tier 1 Capital to Total Risk Weighted Exposures	13.13%
b.	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	13.98%

2. Risk Exposures

▪ Risk Weighted Exposures for Credit, Market and Operational Risk

(Rs. In '000)

Total Risk Weighted Exposures		19,183,476
a.	Risk Weighted Exposure for Credit Risk	16,050,664
b.	Risk Weighted Exposure for Operational Risk	1,450,004
c.	Risk Weighted Exposure for Market Risk	85,211
Add:		
	5 % of Total Risk Weighted Exposure as per Supervisory Review	879,294
	2% of gross income	102,412
	1 % of Net Interest Income	2,992

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

(Rs. In '000)

Total Risk Weighted Exposures for Credit Risk		16,050,664.43
a.	Claims on government and central Bank	-
b.	Claims on other official entities	15550.32
c.	Claims on Banks	208195.80
d.	Claims on corporate and securities firms	5983877.99
e.	Claims on regulatory retail portfolio	1,058,494.88
f.	Claims secured by residential properties	396,839.56
g.	Claims secured by commercial real estate	206,767.84
h.	Past due claims (except for claim secured by residential properties)	266,532.49
i.	High risk claims	616,281.48
j.	Other Assets	825,611.71
k.	Off Balance sheet items	6,472,512.36

■ **Total Risk Weighted Exposure Calculation Table**

(Rs. In '000)

S.N	Particulars	Amount
a.	Total Risk Weighted Exposure	18,570,577
b.	Total Core Capital Fund	2,438,916
c.	Total Capital Fund (Tier I and Tier II Capital)	2,595,436
d.	Tier 1 Capital to Total Risk Weighted Exposures	13.13 %
e.	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	13.98 %

■ **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	5,447,281.01	680,910.13	4,766,370.88
b.	Substandard Loan	128,667,227.61	32,516,806.90	96,150,420.71
c.	Doubtful Loan	60,498,333.05	30,249,166.53	30,249,166.53
d.	Loss Loan	907,971,235.04	907,971,235.04	-
e.	Additional		57,600,170.92	(57,600,170.92)
	Total	1,102,584,076.71	1,029,018,289.51	73,565,787.20

■ **NPA Ratios**

S.N.	Ratios	%
a.	Gross NPA to Gross Advances	10.32
b.	Net NPA to Net Advances	1.37

▪ **Movement of Non - Performing Assets**

(Amount in Rs.)

Particulars	Current Quarter	Previous Quarter	Change (%)
Non Performing Assets (NPA)	1,102,584,076.71	1,996,695,155.19	-45%

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

S.N	Name of the Borrower	Principal	Interest	Total
1.	NB Batra Hospital & Medical Research Centre	164,086,760.08	225,106,431.45	389,193,191.53
2.	Lalitpur Engineering	59,696,866.02	59,593,093.51	119,289,959.53
3.	Space Time Network Pvt. Ltd.	195,117,146.67	15,312,430.75	210,429,577.42
		418,900,772.77	300,011,955.71	718,912,728.48

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

Particulars	Current Quarter	Previous Quarter	Change (%)
Loan Loss Provision	1,142,618,083.94	1,868,763,357.12	-39%
Interest Suspense	618,226,399.05	1,107,077,314.03	-44%

- **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	3,149,386,257.00	
Investment on Bond	358,703,730.00	
Placement (USD)	106,990,000.00	
Investment on Shares		
Commercial Bank		9,700,000.00
Rural Development Bank		6,500,000.00
Rural Micro-Finance Development Center		4,531,000.00
Insurance Companies		642,500.00
Others		25,086,373.00
TOTAL	3,615,079,987.00	46,459,872.82