

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

The extract of the Basel II reporting of the Fourth quarter (2069/70) 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)		3,489,628
a.	Paid up Equity Share Capital	2,009,396
b.	Share Premium	35,870
c.	Statutory General Reserves	1,118,739
d.	Retained Earnings	(345,995)
e.	Un-audited current year cumulative profit	590,729
f.	Capital Adjustment Reserve	72,000
g.	Deferred Tax Reserve	8,890

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

Supplementary Capital (Tier 2)		221,173
a.	General Loan Loss Provision	157,215
b.	Investment Adjustment Reserve	2,673
c.	Exchange Equalization Reserve	61,285
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		(1,038,836)
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	(883,720)
e.	Land & Building not used since more than 3 Years (8.7 chha)	(80,260)

(In Rs. '000)

Total Qualifying Capital		2,671,966
a.	Tier 1 Capital Less Deductions	2,450,793
b.	Tier 2 Capital	221,173

▪ **Capital Adequacy Ratio**

a.	Tier 1 Capital to Total Risk Weighted Exposures	11.09%
b.	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	12.09%

2. Risk Exposures

■ Risk Weighted Exposures for Credit, Market and Operational Risk

(Rs. In '000)

Total Risk Weighted Exposures		22,100,465
a.	Risk Weighted Exposure for Credit Risk	20,186,643
b.	Risk Weighted Exposure for Operational Risk	972,405
c.	Risk Weighted Exposure for Market Risk	28,022
Add:		
	4 % of Total Risk Weighted Exposure as per Supervisory Review	847,483
	5% of gross income	61,000
	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		20,186,643
a.	Claims on government and central Bank	-
b.	Claims on other official entities	54,695
c.	Claims on Banks	328,229
d.	Claims on corporate and securities firms	7,791,735
e.	Claims on regulatory retail portfolio	2,186,283
f.	Claims secured by residential properties	323,871
g.	Claims secured by commercial real estate	224,010
h.	Past due claims (except for claim secured by residential properties)	10,005
i.	High risk claims	529,298
j.	Staff Loan secured by residential properties	210,051
k.	Other Assets	590,496
l.	Off Balance sheet items	7,937,969

■ Total Risk Weighted Exposure Calculation Table

(Rs. In '000)

S.N	Particulars	Amount
a.	Total Risk Weighted Exposure	22,100,465
b.	Total Core Capital Fund	2,450,793
c.	Total Capital Fund (Tier I and Tier II Capital)	2,671,966
d.	Tier 1 Capital to Total Risk Weighted Exposures	11.09%
e.	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	12.09%

■ Amount of NPA's (Both Gross and Net)

(Amount in Rs.)

S.N	Particulars	Gross Amount	Loan loss Provision	Net Amount
a.	Restructured/	-	-	-

a.	Reschedule Loan			-
b.	Substandard Loan	4,299,000	1,074,750	3,224,250
c.	Doubtful Loan	6,891,896	3,445,948	3,445,948
d.	Loss Loan	401,106,696	401,106,696	-
e.	Additional		29,945,007	(29,945,007)
Total		412,297,592	435,572,401	(23,274,809)

▪ **NPA Ratios**

S.N.	Ratios	%
a.	Gross NPA to Gross Advances	3.14
b.	Net NPA to Net Advances	0.05

▪ **Movement of Non - Performing Assets**

(Amount in Rs.)

Particulars	Current Quarter	Previous Quarter	Change (%)
Non Performing Assets (NPA)	412,297,592	448,860,000	-8.15%

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

S.N.	Name of the Borrower	Principal	Interest	Total
1	Raj Trading	10,558,735.78	5,241,637.88	15,800,373.66
2	Deepak Sapkota	688,139.00	450,987.61	1,139,126.61
3	Rishi Ram Pokhrel	725,640.18	788,065.61	1,513,705.79
4	Chandra Shekhar Yadav	2,322,973.86	54,448.73	2,377,422.59
Total		14,295,488.82	6,535,139.83	20,830,628.65

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

(Amount in Rs.)

Particulars	Current Quarter	Previous Quarter	Change (%)
Loan Loss Provision	562,842,857	579,291,941	-2.84%
Interest Suspense	325,686,212	369,255,060	-11.80%

▪ **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	2,648,840,570	
Investment on Bond	353,627,713	
Placement (USD & EURO)	85,265,663	
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	3,087,733,946	91,147,964