



**DISCLOSURE AS PER BASEL II:
As of Chaitra End 2069 (13 April 2013)**

1. Capital structure and capital adequacy

- **Tier 1 capital and a breakdown of its components;**

Particulars	NPR in '000
Paid Up Capital	2,000,000
Share Premium	25,965
Statutory General Reserves	131, 262
Retained Earnings	1,549
Profit/Loss of Current year	120,409
Core Capital	2,279,185

- **Tier 2 capital and a breakdown of its components;**

Particulars	NPR in '000
General Loan Loss Provision	140,543
Exchange Equalization Reserves	10,319
Investment Adjust Reserve	81
Supplementary Capital	150,943

- **Detailed information about the Subordinated Term Debts with information on the outstanding amount, maturity, and amount rose during the year and amount eligible to be reckoned as capital funds.**

- The bank does not have any Subordinated Term Debts

- **Deductions from capital;**

- There is no item to be deducted from capital.

- **Total qualifying capital;**

Particulars	NPR in '000
Core Capital	2,279,185
Supplementary Capital	150,943
Total Qualifying Capital (Total Capital Fund)	2,430,128

- **Capital Adequacy Ratio;**

- 13.67%

- **Summary of the bank’s internal approach to assess the adequacy of its capital to support current and future activities, if applicable;**

Bank has current paid up capital of NPR 2 Billion. The bank’s activities are weighed in terms of risk and return in light of capital requirement. It has established a culture whereby return on capital needs to be justified in light of risk involved in each investing and operating activity. In order to assess the adequacy of capital, all major risks such as credit, credit concentration, operational, market, liquidity, reputational etc. are identified, measured and reported on periodic basis. These are monitored by the Bank’s board and senior management periodically in addition to the monthly review and certification by the Internal Audit and Compliance Department of the Bank.

- **Summary of the terms, conditions and main features of all capital instruments, especially in case of subordinated term debts including hybrid capital instruments.**

Bank does not have any other capital instruments except fully paid equity shares as qualifying capital

2. Risk Exposures

- **Risk weighted exposures for Credit Risk, Market Risk and Operational Risk;**

Particulars	NPR in ‘000
Risk weighted exposures for Credit Risk	16,217,852
Risk weighted exposures for Operational Risk	1,085,911
Risk weighted exposures for Market Risk	119,253
Add: 2% on Total Risk Weighted Exposure as directed by NRB	348,460
Total	17,771,477

- **Risk Weighted Exposures under each of 11 categories of Credit Risk;**

NPR in ‘000

Claims on government & central bank	-
Claims on Public sector entity	219,463
Claims on banks	121,227
Claims on corporate & securities firms	7,335,251
Claims on regulatory retail portfolio	1,530,923
Claims secured by residential properties	840,227
Claims secured by commercial real state	681,940
Past due claims	1,700,035
High risk claims/Other Loans	2,137,148
Other assets	922,441
Off balance sheet items	729,198
Total	16,217,852

- **Total Risk Weighted Exposure calculation table;**

Particulars	NPR in '000
Risk weighted exposures for Credit Risk	16,217,852
Risk weighted exposures for Market Risk	1,085,911
Risk weighted exposures for Operational Risk	119,253
Add: 2% on Total Risk Weighted Exposure as directed by NRB	348,460
Total Risk Weighted Exposure	17,771,477
Total Capital Fund	2,430,128
Total Capital to Total Risk Weighted Exposures	13.67%

- **Amount of NPAs (both Gross and Net) in NPR**

<input type="checkbox"/> Restructure/Reschedule Loan		
▪ Nil		
<input type="checkbox"/> Substandard Loan		
▪ Gross	- NPR 249,632,948	
▪ Net	- NPR 187,224,711	
<input type="checkbox"/> Doubtful Loan		
▪ Gross	- NPR 157,309,520	
▪ Net	- NPR 78,654,760	
<input type="checkbox"/> Loss Loan		
▪ Gross	- NPR 108,751,177	
▪ Net	- Nil	

- **NPA ratios**

<input type="checkbox"/> Gross NPA to gross advances	3.54%
<input type="checkbox"/> Net NPA to net advances	1.88%

- **Movement of Non Performing Assets**

Non Performing Assets Category	Figures in NPR		
	This Quarter	Last Quarter	Change
Substandard Loan	249,632,948	128,589,033	121,043,915
Doubtful Loan	157,309,520	411,369,808	(254,060,288)
Loss Loan	108,751,177	20,308,832	88,442,345

- **Write off of Loans and Interest Suspense**

- Nil

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

	Figures in NPR		
	This Quarter	Last Quarter	Change
Loan Loss Provision	249,814,174	399,626,532	(149,812,358)
Interest Suspense	125,842,715	159,433,310	(33,590,595)

- **Details of additional Loan Loss Provisions**

- Nil

- **Segregation of Investment Portfolio into held for trading, Held to maturity and available for sale Category.**

Investment Portfolio	Amount in NPR '000'
Held for trading	NIL
Held to Maturity	4,119,008
Available for Sale	7,200