

**DISCLOSURE AS PER BASEL II:  
As of Poush End 2069 (13 January 2013)**

**1. Capital structure and capital adequacy**

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

<b>Particulars</b>	<b>NPR in '000</b>
Paid Up Capital	2,000,000
Share Premium	25,965
Statutory General Reserves	131,262
Retained Earnings	1,549
Profit/Loss of Current year	123,305
<b>Core Capital</b>	<b>2,282,081</b>

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

<b>Particulars</b>	<b>NPR in '000</b>
General Loan Loss Provision	141,486
Exchange Equalization Reserves	10,319
Investment Adjust Reserve	81
<b>Supplementary Capital</b>	<b>151,886</b>

- **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;**

<b>Particulars</b>	<b>NPR in '000</b>
Core Capital	2,282,081
Supplementary Capital	151,886
<b>Total Qualifying Capital (Total Capital Fund)</b>	<b>2,433,967</b>

- **Capital Adequacy Ratio;**

- 13.20%

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

Bank’s current paid up capital NPR 2 Billion. Bank’s activities are weighed in terms of risk and return in light of capital requirement. Bank 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;**

<b>Particulars</b>	<b>NPR in ‘000</b>
Risk weighted exposures for Credit Risk	16,883,600
Risk weighted exposures for Operational Risk	1,085,911
Risk weighted exposures for Market Risk	111,7333
Add: 2% on Total Risk Weighted Exposure as directed by NRB	361,625
<b>Total</b>	<b>18,442,869</b>

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

NPR in ‘000

Claims on government & central bank	-
Claims on Public sector entity	117,071
Claims on banks	142,883
Claims on corporate & securities firms	7,513,588
Claims on regulatory retail portfolio	1,518,476
Claims secured by residential properties	802,847
Claims secured by commercial real state	702,047
Past due claims	1,652,967
High risk claims/Other Loans	2,295,536
Other assets	1,397,108
Off balance sheet items	741,077
<b>Total</b>	<b>16,883,600</b>

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

<b>Particulars</b>	<b>NPR in '000</b>
Risk weighted exposures for Credit Risk	16,883,600
Risk weighted exposures for Market Risk	1,085,911
Risk weighted exposures for Operational Risk	111,733
Add: 2% on Total Risk Weighted Exposure as directed by NRB	361,625
<b>Total Risk Weighted Exposure</b>	<b>18,442,869</b>
<b>Total Capital Fund</b>	<b>2,433,967</b>
<b>Total Capital to Total Risk Weighted Exposures</b>	<b>13.20%</b>

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

<input type="checkbox"/> Restructure/Reschedule Loan	
▪ Nil	
<input type="checkbox"/> Substandard Loan	
▪ Gross	- NPR 128,589,033
▪ Net	- NPR 96,441,774
<input type="checkbox"/> Doubtful Loan	
▪ Gross	- NPR 411,369,808
▪ Net	- NPR 205,684,904
<input type="checkbox"/> Loss Loan	
▪ Gross	- NPR 20,308,832
▪ Net	- Nil

- **NPA ratios**

<input type="checkbox"/> Gross NPA to gross advances	3.81%
<input type="checkbox"/> Net NPA to net advances	2.11%

- **Movement of Non Performing Assets**

**Figures in NPR**

<b>Non Performing Assets Category</b>	<b>This Quarter</b>	<b>Last Quarter</b>	<b>Change</b>
Substandard Loan	128,589,033	169,721,329	(41,132,296)
Doubtful Loan	411,369,808	312,560,442	98,809,366
Loss Loan	20,308,832	14,266,690	6,042,142

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

- Nil

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

**Figures in NPR**

	<b>This Quarter</b>	<b>Last Quarter</b>	<b>Change</b>
Loan Loss Provision	399,626,532	342,112,462	57,514,070
Interest Suspense	159,433,310	130,089,471	29,343,839

- **Details of additional Loan Loss Provisions**
  - Nil
- **Segregation of Investment Portfolio into held for trading, Held to maturity and available for sale Category.**

<b>Investment Portfolio</b>	<b>Amount in NPR '000'</b>
Held for trading	NIL
Held to Maturity	1,931,576
Available for Sale	7,200