



एन आई सी एशिया बैंक लि.

**DISCLOSURE AS PER BASEL II:  
As of Chaitra End 2070 (13 Apr 2014)**

**1. Capital structure and capital adequacy**

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

Particulars	NPR in '000
Paid Up Capital	2,311,552
Share Premium	67,838
Statutory General Reserves	1,947,725
Retained Earnings	3,782
Deferred Tax Reserves	29,620
Profit/Loss of Current year	627,311
Fictitious Assets	(10,123)
<b>Core Capital</b>	<b>4,977,705</b>

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

Particulars	NPR in '000
General Loan Loss Provision	333,283
Exchange Equalization Reserves	27,014
Investment Adjust Reserve	645
<b>Supplementary Capital</b>	<b>360,942</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;**

- The fictitious assets which are deferred revenue expenditures amounting to Rs 10,123,460 are deducted from capital over the life of these assets.

- **Total qualifying capital;**

Particulars	NPR in '000
Core Capital	<b>4,977,705</b>
Supplementary Capital	<b>360,942</b>
<b>Total Qualifying Capital (Total Capital Fund)</b>	<b>5,338,647</b>

- **Capital Adequacy Ratio;**

- 13.84%

- **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 2.31 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;**

<b>Particulars</b>	<b>NPR in ‘000</b>
Risk weighted exposures for Credit Risk	35,159,700
Risk weighted exposures for Operational Risk	1,969,798
Risk weighted exposures for Market Risk	199,570
Add: RWE equivalent to reciprocal of capital charge of 3% of gross income	511,200
Add: 2% on Total Risk Weighted Exposure as directed by NRB	746,581
<b>Total</b>	<b>38,586,849</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	210,000
Claims on banks	719,130
Claims on corporate & securities firms	16,537,315
Claims on regulatory retail portfolio	5,304,361
Claims secured by residential properties	2,645,781
Claims secured by commercial real state	584,127
Past due claims	1,230,119
High risk claims/Other Loans	4,206,569
Other assets	1,285,730
Off balance sheet items	2,436,569
<b>Total</b>	<b>35,159,700</b>

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

<b>Particulars</b>	<b>NPR in '000</b>
Risk weighted exposures for Credit Risk	35,159,700
Risk weighted exposures for Operational Risk	1,969,798
Risk weighted exposures for Market Risk	199,570
Add: RWE equivalent to reciprocal of capital charge of 3% of gross income	511,200
Add: 2% on Total Risk Weighted Exposure as directed by NRB	746,581
<b>Total Risk Weighted Exposure</b>	<b>38,586,849</b>
<b>Total Capital Fund</b>	<b>5,338,647</b>
<b>Total Capital to Total Risk Weighted Exposures</b>	<b>13.84%</b>

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

Particulars	NPR in '000	
	<b>Gross NPAs</b>	<b>Net NPAs</b>
Restructured / Reschedule Loans		
Sub Standard Loans	267,865	66,966
Doubtful Loans	192,548	96,274
Loss	490,312	490,312
<b>Total NPAs</b>	<b>950,725</b>	<b>653,553</b>

- **Ratio of Non Performing Asset**

<b>Particulars</b>	
Gross NPA to gross advances	2.77 %
Net NPA to net advances	0.89 %

- **Movement of Non Performing Assets**

<b>Non Performing Assets Category</b>	NPR in '000		
	<b>This Quarter</b>	<b>Last Quarter</b>	<b>Change</b>
Substandard Loan	267,865	292,083	(24,218)
Doubtful Loan	192,548	216,571	(24,023)
Loss Loan	490,312	461,715	28,597

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

NPR in '000

<b>Particulars</b>	
Write off Loan	-
Write off Interest	-

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

NPR in '000

	<b>This Quarter</b>	<b>Last Quarter</b>	<b>Change</b>
Loan Loss Provision	986,836	963,839	22,997
Interest Suspense	349,495	348,204	1,291

- **Details of additional Loan Loss Provision**

None

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

<b>Investment Portfolio</b>	<b>Amount in NPR</b>
Held for Trading	-
Held to Maturity	4,514,778
Available for Sale	43,742.5