

**Disclosure under Capital Adequacy Framework 2007**  
**As at Chaitra end 2071 of the Fiscal Year 2071/72 (Mid April of 2015)**

Rs. in '000

**1 Capital structure and capital adequacy**

<b>Core Capital (Tier I)</b>		<b>Amount</b>
a	Paid up equity Share Capital	6,465,002
b	Proposed Bonus Equity Shares	-
c	Irredeemable Non-cumulative preference shares	-
d	Share Premium	90,552
e	Statutory General Reserves	1,820,705
f	Retained Earnings	(5,900,646)
g	Un-audited current year cumulative profit	360,659
h	Capital Redemption Reserve	-
i	Capital Adjustment Reserve	380,383
j	Dividend Equalization Reserve	7,486
k	Special Reserve	22,245
l	Deferred Tax Reserve	93,520
m	Capital Reserve (created for loan waived as per Nepal Govt. Direction)	259,736
n	Other Free Reserves	6,063
<b>Total Core Capital</b>		<b>3,605,704</b>

<b>Supplementary Capital (Tier II)</b>		<b>Amount</b>
a	Cumulative and/or Redeemable Preference Share	-
b	Subordinated Term Debt	-
c	Hybrid Capital Instruments	-
d	General loan loss provision	505,059
e	Investment Adjustment Reserve	17,594
f	Assets Revaluation Reserve	-
g	Exchange Equalization Reserve	84,449
h	Other Reserves	-
<b>Total Supplementary Capital</b>		<b>607,101</b>

**Details of Subordinated Term Debt:**

Not Applicable

**Deduction from Capital**

The Bank holds net Investment in shares amounting to Rs. 191,337 thousand.

**Total Capital Fund**

<b>Particulars</b>	<b>Amount</b>
Core Capital (Tier 1) (after deduction of qualifying amount)	3,414,366
Supplementary Capital (Tier 2)	607,101
<b>Total Capital Fund</b>	<b>4,021,468</b>

**Capital Adequacy Ratio:**

**4.58%**

**2 Risk weighted exposures for Credit, Market and Operational Risk**

<b>Risk Weighted Exposures</b>	<b>Amount</b>
Risk Weighted Exposure for Credit Risk	77,288,519
Risk Weighted Exposure for Operational Risk	4,679,817
Risk Weighted Exposure for Market Risk	1,000,679
<b>Total Risk Weighted Exposures</b>	<b>82,969,014</b>
<b>Supervisor's adjustment (addition)</b>	
1 % of Net Interest Income on market risk (due to poor assets-liabilities management)	28,236
4 % of Gross Income on Operational risk (due to weak operational risk management)	1,435,482
4 % of Risk Weighted Exposure (Supervisor's addition due to poor risk management)	3,318,761
<b>Total Risk Weighted Exposures (after supervisor's adjustment)</b>	<b>87,751,493</b>

**Risk weighted exposures under each 11 categories of Credit Risk**

S. N.	Categories	Risk Weighted Exposure
1	Claims on Government and Central Bank	-
2	Claims on Other Financial Entities	-
3	Claims on Banks	813,196
4	Claims on Domestic Corporates and Securities Firms	-
5	Claims on Regulatory Retail Portfolio	-
6	Claims secured by residential properties	5,269,702
7	Claims Secured by Commercial real estate	-
8	Past due claims	-
9	High Risk claims	61,125,438
10	Other Assets	6,571,413
11	Off Balance Sheet Items	3,508,770
<b>Total</b>		<b>77,288,519</b>

**Amount of Non Performing Assets (both Gross and Net)**

Particulars	Amount		
	Gross	Provision	Net
Bass B (Restructured)	39,188	4,898	34,289
Substandard	399,150	99,788	299,363
Doubtful	112,056	56,028	56,028
Bad	1,669,343	1,669,343	-
<b>Total</b>	<b>2,219,737</b>	<b>1,830,057</b>	<b>389,680</b>

**NPA Ratios**

Gross NPA to Gross Advances	4.48%
Net NPA to Net Advances	0.82%

**Movement in Non Performing Assets**

Particulars	This Quarter	Previous Quarter	Changes %
Non Performing Assets (Rs. in 000')	2,219,737	2,080,370	6.28%
Non Performing Assets (%)	4.48%	4.62%	-0.14%

**Write off of Loans and Interest Suspense in the Quarter**

Particulars	Amount
Write off Loans	-
Write off of Interest Suspense	-

**Movement in Loan Loss Provision and Interest Suspense:**

Particulars	This Quarter	Previous Quarter	Changes %
Loan Loss Provision	2,335,116	2,270,324	2.8%
Interest Suspense	3,941,740	3,693,370	6.7%

**Details of Additional Loan Loss Provision**

None

**Segregation of Investment Portfolio**

Particulars	Amount
Held for Trading	-
Held to Maturity	12,903,509
Available for sale	191,337
<b>Total</b>	<b>13,094,847</b>