

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

Rs. in '000

1 Capital structure and capital adequacy

Core Capital (Tier I)		Amount
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	387,462
h	Capital Redemption Reserve	-
i	Capital Adjustment Reserve	380,383
j	Dividend Equalization Reserve	7,486
k	Special Reserve	22,246
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
Total Core Capital		3,632,507

Supplementary Capital (Tier II)		Amount
a	Cumulative and/or Redeemable Preference Share	-
b	Subordinated Term Debt	-
c	Hybrid Capital Instruments	-
d	General loan loss provision	429,145
e	Investment Adjustment Reserve	17,594
f	Assets Revaluation Reserve	-
g	Exchange Equalization Reserve	84,449
h	Other Reserves	-
Total Supplementary Capital		531,188

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

Particulars	Amount
Core Capital (Tier 1) (after deduction of qualifying amount)	3,441,170
Supplementary Capital (Tier 2)	531,188
Total Capital Fund	3,972,358

Capital Adequacy Ratio:

4.78%

2 Risk weighted exposures for Credit, Market and Operational Risk

Risk Weighted Exposures	Amount
Risk Weighted Exposure for Credit Risk	72,436,976
Risk Weighted Exposure for Operational Risk	4,679,817
Risk Weighted Exposure for Market Risk	1,333,391
Total Risk Weighted Exposures	78,450,184
Supervisor's adjustment (addition)	
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)	3,138,007
Total Risk Weighted Exposures (after supervisor's adjustment)	83,051,909

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	1,065,674
4	Claims on Domestic Corporates and Securities Firms	-
5	Claims on Regulatory Retail Portfolio	-
6	Claims secured by residential properties	4,612,751
7	Claims Secured by Commercial real estate	-
8	Past due claims	-
9	High Risk claims	55,920,464
10	Other Assets	6,942,563
11	Off Balance Sheet Items	3,895,524
Total		72,436,976

Amount of Non Performing Assets (both Gross and Net)

Particulars	Amount		
	Gross	Provision	Net
Bass B (Restructured)	39,598	4,950	34,648
Substandard	184,234	46,059	138,176
Doubtful	132,736	66,368	66,368
Bad	1,723,802	1,723,802	-
Total	2,080,370	1,841,178	239,192

NPA Ratios

Gross NPA to Gross Advances	4.62%
Net NPA to Net Advances	0.56%

Movement in Non Performing Assets

Particulars	This Quarter	Previous Quarter	Changes %
Non Performing Assets (Rs. in 000)	2,080,370	2,015,594	3.11%
Non Performing Assets (%)	4.62%	4.78%	-0.16%

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	2,270,324	2,120,762	6.6%
Interest Suspense	3,693,370	3,696,388	-0.1%

Details of Additional Loan Loss Provision

None

Segregation of Investment Portfolio

Particulars	Amount
Held for Trading	-
Held to Maturity	15,326,011
Available for sale	191,337
Total	15,517,348