

Disclosure under Capital Adequacy Framework 2007

As at Ashadh end 2072 of the Fiscal Year 2071/72 (Mid July 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	1,964,097
f	Retained Earnings	(6,329,099)
g	Un-audited current year cumulative profit	526,123
h	Capital Redemption Reserve	-
i	Capital Adjustment Reserve	380,383
j	Dividend Equalization Reserve	7,486
k	Special Reserve	304,970
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		3,768,830

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	576,493
e	Investment Adjustment Reserve	17,594
f	Assets Revaluation Reserve	-
g	Exchange Equalization Reserve	86,787
h	Other Reserves	-
Total Supplementary Capital		680,874

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)	3,768,830
Supplementary Capital (Tier 2)	680,874
Total Capital Fund	4,449,704

Capital Adequacy Ratio:

7.80%

2 Risk weighted exposures for Credit, Market and Operational Risk

Risk Weighted Exposures	Amount
Risk Weighted Exposure for Credit Risk	48,181,487
Risk Weighted Exposure for Operational Risk	4,679,817

Risk Weighted Exposure for Market Risk	559,797
Total Risk Weighted Exposures	53,421,100
Supervisor's adjustment (addition)	
1 % of Net Interest Income on market risk (due to poor assets-liabilities)	28,236
4 % of Gross Income on Operational risk (due to weak operational risk)	1,435,482
4 % of Risk Weighted Exposure (Supervisor's addition due to poor risk)	2,136,844
Total Risk Weighted Exposures (after supervisor's adjustment)	57,021,662

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	441,398
4	Claims on Domestic Corporates and Securities Firms	13,068,862
5	Claims on Regulatory Retail Portfolio	1,933,607
6	Claims secured by residential properties	2,889,833
7	Claims Secured by Commercial real estate	859,681
8	Past due claims	-
9	High Risk claims	3,237,985
10	Other Assets	5,355,295
11	Off Balance Sheet Items	2,404,923
	Total	30,191,584

Amount of Non Performing Assets (both Gross and Net)

Particulars	Amount		
	Gross	Provision	Net
Bass B (Restructured)	38,864	4,858	34,006
Substandard	318,052	79,513	238,539
Doubtful	194,686	97,343	97,343
Bad	1,556,897	1,556,897	-
Total	2,108,499	1,738,611	369,888

NPA Ratios

Gross NPA to Gross Advances	3.95%
Net NPA to Net Advances	0.72%

Movement in Non Performing Assets

Particulars	This Quarter	Previous Quarter	Changes %
Non Performing Assets (Rs. in 000')	2,108,499	2,219,737	-5.28%
Non Performing Assets (%)	3.95%	4.48%	-0.53%

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	2,315,104	2,335,116	-0.9%
Interest Suspense	3,884,745	3,941,740	-1.4%

Details of Additional Loan Loss Provision

None

Segregation of Investment Portfolio

Particulars	Amount
Held for Trading	-
Held to Maturity	16,710,905
Available for sale	191,337
Total	16,902,243