

Disclosure under Capital Adequacy Framework 2007
As at Ashwin end 2072 of the Fiscal Year 2072/73 (Mid October 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	(5,802,976)
g	Un-audited current year cumulative profit	444,366
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
o	Less: Other Deductions	(82,944)
Total Core Capital		4,130,252

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	533,206
e	Investment Adjustment Reserve	17,594
f	Assets Revaluation Reserve	-
g	Exchange Equalization Reserve	86,787
h	Other Reserves	-
Total Supplementary Capital		637,586

Details of Subordinated Term Debt:

Not Applicable

Deduction from Capital

Not Applicable

Total Capital Fund

Particulars	Amount
Core Capital (Tier 1) (after deduction of qualifying amount)	4,130,252
Supplementary Capital (Tier 2)	637,586
Total Capital Fund	4,767,839

Capital Adequacy Ratio:

7.83%

2 Risk weighted exposures for Credit, Market and Operational Risk

Risk Weighted Exposures	Amount
Risk Weighted Exposure for Credit Risk	50,999,200
Risk Weighted Exposure for Operational Risk	5,478,946
Risk Weighted Exposure for Market Risk	452,671
Total Risk Weighted Exposures	56,930,817
<i>Supervisor's adjustment (addition)</i>	
<i>1 % of Net Interest Income on market risk (due to poor assets-liabilities management)</i>	<i>33,165</i>
<i>4 % of Gross Income on Operational risk (due to weak operational risk management)</i>	<i>1,686,821</i>
<i>4 % of Risk Weighted Exposure (Supervisor's addition due to poor risk management)</i>	<i>2,277,233</i>
Total Risk Weighted Exposures (after supervisor's adjustment)	60,928,035

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	683,773
4	Claims on Domestic Corporates and Securities Firms	10,502,782
5	Claims on Regulatory Retail Portfolio	4,543,358
6	Claims secured by residential properties	3,230,880
7	Claims Secured by Commercial real estate	911,383
8	Past due claims	-
9	High Risk claims	3,018,255
10	Other Assets	7,046,479
11	Off Balance Sheet Items	2,820,419
	Total	32,757,329

Amount of Non Performing Assets (both Gross and Net)

Particulars	Amount		
	Gross	Provision	Net
Bass B (Restructured)	38,623	4,828	33,795
Substandard	217,208	54,302	162,906
Doubtful	210,682	105,341	105,341
Bad	1,562,784	1,562,784	-
Total	2,029,296	1,727,255	302,042

NPA Ratios

Gross NPA to Gross Advances	3.82%
Net NPA to Net Advances	0.59%

Movement in Non Performing Assets

Particulars	This Quarter	Previous Quarter	Changes %
Non Performing Assets (Rs. in 000')	2,029,296	2,108,499	-3.90%
Non Performing Assets (%)	3.82%	3.95%	-0.13%

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	2,260,461	2,315,104	-2.4%
Interest Suspense	4,227,731	3,884,745	8.8%

Details of Additional Loan Loss Provision

None

Segregation of Investment Portfolio

Particulars	Amount
Held for Trading	-
Held to Maturity	11,590,558
Available for sale	191,337
Total	11,781,895