

Disclosure under Capital Adequacy Framework 2007

As at Chaitra end 2072 of the Fiscal Year 2072/73 (Mid April of 2016)

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	1,873,545
f	Retained Earnings	(5,802,976)
g	Un-audited current year cumulative profit	1,642,750
h	Capital Redemption Reserve	-
i	Capital Adjustment Reserve	380,383
j	Dividend Equalization Reserve	7,486
k	Special Reserve	398,490
l	Deferred Tax Reserve	-
m	Capital Reserve (created for loan waived as per Nepal Govt. Direction)	259,736
n	Other Free Reserves	96,615
Total Core Capital		5,411,581

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	643,874
e	Investment Adjustment Reserve	17,594
f	Assets Revaluation Reserve	-
g	Exchange Equalization Reserve	86,787
h	Other Reserves	-
Total Supplementary Capital		748,255

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)	5,411,581
Supplementary Capital (Tier 2)	748,255
Total Capital Fund	6,159,835

Capital Adequacy Ratio:

9.55%

2 Risk weighted exposures for Credit, Market and Operational Risk

Risk Weighted Exposures	Amount
Risk Weighted Exposure for Credit Risk	54,445,717
Risk Weighted Exposure for Operational Risk	5,439,699
Risk Weighted Exposure for Market Risk	492,954
Total Risk Weighted Exposures	60,378,370
Supervisor's adjustment (addition)	
1 % of Net Interest Income on market risk (due to poor assets-liabilities management)	33,110
4 % of Gross Income on Operational risk (due to weak operational risk management)	1,655,424
4 % of Risk Weighted Exposure (Supervisor's addition due to poor risk management)	2,415,135
Total Risk Weighted Exposures (after supervisor's adjustment)	64,482,039

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	379,526
4	Claims on Domestic Corporates and Securities Firms	11,556,758
5	Claims on Regulatory Retail Portfolio	15,614,186
6	Claims secured by residential properties	2,875,309
7	Claims Secured by Commercial real estate	493,822
8	Past due claims	4,549,838
9	High Risk claims	1,503,008
10	Other Assets	5,758,608
11	Off Balance Sheet Items	4,628,833
Total		47,359,887

Amount of Non Performing Assets (both Gross and Net)

Particulars	Amount		
	Gross	Provision	Net
Bass B (Restructured)	-	-	-
Substandard	420,165	105,041	315,124
Doubtful	136,181	68,091	68,091
Bad	1,640,123	1,640,123	-
Total	2,196,469	1,813,255	383,214

NPA Ratios

Gross NPA to Gross Advances	3.67%
Net NPA to Net Advances	0.67%

Movement in Non Performing Assets

Particulars	This Quarter	Previous Quarter	Changes %
Non Performing Assets (Rs. in 000')	2,196,469	2,120,395	3.46%
Non Performing Assets (%)	3.67%	3.85%	-0.18%

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	2,457,129	2,369,769	3.6%
Interest Suspense	4,953,509	4,271,596	16.0%

Details of Additional Loan Loss Provision

None

Segregation of Investment Portfolio

Particulars	Amount
Held for Trading	-
Held to Maturity	17,397,072
Available for sale	198,319
Total	17,595,391