

Disclosure under Capital Adequacy Framework 2007

As at Poush end 2072 of the Fiscal Year 2072/73 (Mid January 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	1,964,097
f	Retained Earnings	(5,802,976)
g	Un-audited current year cumulative profit	1,048,189
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		4,734,075

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	540,048
e	Investment Adjustment Reserve	17,594
f	Assets Revaluation Reserve	-
g	Exchange Equalization Reserve	86,787
h	Other Reserves	-
Total Supplementary Capital		644,429

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)	4,734,075
Supplementary Capital (Tier 2)	644,429
Total Capital Fund	5,378,504

Capital Adequacy Ratio:**9.11%****2 Risk weighted exposures for Credit, Market and Operational Risk**

Risk Weighted Exposures	Amount
Risk Weighted Exposure for Credit Risk	49,540,470
Risk Weighted Exposure for Operational Risk	5,439,699
Risk Weighted Exposure for Market Risk	169,586
Total Risk Weighted Exposures	55,149,755
Supervisor's adjustment (addition)	
<i>1 % of Net Interest Income on market risk (due to poor assets-liabilities management)</i>	33,110
<i>4 % of Gross Income on Operational risk (due to weak operational risk management)</i>	1,655,424
<i>4 % of Risk Weighted Exposure (Supervisor's addition due to poor risk management)</i>	2,205,990
Total Risk Weighted Exposures (after supervisor's adjustment)	59,044,279

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	301,118
4	Claims on Domestic Corporates and Securities Firms	10,394,624
5	Claims on Regulatory Retail Portfolio	14,637,671
6	Claims secured by residential properties	2,947,615
7	Claims Secured by Commercial real estate	666,325
8	Past due claims	4,499,425
9	High Risk claims	606,236
10	Other Assets	5,418,840
11	Off Balance Sheet Items	4,126,557
Total		43,598,411

Amount of Non Performing Assets (both Gross and Net)

Particulars	Amount		
	Gross	Provision	Net
Bass B (Restructured)	-	-	-
Substandard	284,003	71,001	213,002
Doubtful	155,342	77,671	77,671
Bad	1,681,050	1,681,050	-
Total	2,120,395	1,829,722	290,673

NPA Ratios

Gross NPA to Gross Advances	3.85%
Net NPA to Net Advances	0.55%

Movement in Non Performing Assets

Particulars	This Quarter	Previous Quarter	Changes %
Non Performing Assets (Rs. in 000')	2,120,395	2,029,296	4.30%

Non Performing Assets (%)	3.85%	3.82%	0.03%
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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	2,369,769	2,260,461	4.6%
Interest Suspense	4,271,596	4,227,731	1.0%

Details of Additional Loan Loss Provision

None

Segregation of Investment Portfolio

Particulars	Amount
Held for Trading	-
Held to Maturity	17,178,092
Available for sale	198,319
Total	17,376,411