

## 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)
<b>Total Core Capital</b>		<b>4,734,075</b>

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	-
<b>Total Supplementary Capital</b>		<b>644,429</b>

**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
<b>Total Capital Fund</b>	<b>5,378,504</b>

**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
<b>Total Risk Weighted Exposures</b>	<b>55,149,755</b>
<b>Supervisor's adjustment (addition)</b>	
<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
<b>Total Risk Weighted Exposures (after supervisor's adjustment)</b>	<b>59,044,279</b>

**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
<b>Total</b>		<b>43,598,411</b>

#### 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	-
<b>Total</b>	<b>2,120,395</b>	<b>1,829,722</b>	<b>290,673</b>

#### 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
<b>Total</b>	<b>17,376,411</b>