

Disclosure under Capital Adequacy Framework 2007
As at Poush end 2068 of the Fiscal Year 2068/069 (Mid January of 2012)

Rs. in '000'

Tier 1 Capital and Breakdown of its Components

	Particulars	Amount
a	Paid up equity Share Capital	380,383
b	Proposed Bonus Equity Shares	-
c	Irredeemable Non-cumulative preference shares	-
d	Share Premium	-
e	Statutory General Reserves	1,608,727
f	Retained Earnings	(6,868,919)
g	Un-audited current year cumulative profit	11,157
h	Capital Redemption Reserve	-
i	Capital Adjustment Reserve	266,268
j	Dividend Equalization Reserves	7,486
k	Capital Reserve (created for loan waived as per Nepal Govt. Direction)	259,736
l	Other Free Reserves	6,063
	Total Tier 1 Capital	(4,329,100)

Tier 2 Capital and Breakdown of its Components

	Particulars	Amount
a	Cumulative and/or Redeemable Preference Share	-
b	Subordinated Term Debt	-
c	Hybrid Capital Instruments	-
d	General loan loss provision	480,724
e	Investment Adjustment Reserve	2,786
f	Assets Revaluation Reserve	-
g	Exchange Equalization Reserve	67,968
h	Other Reserves	-
	Total Tier 2 Capital	551,478

Details of Subordinated Term Debt:

Not Applicable

Deduction from Capital

The Bank holds net Investment in shares and debentures amounting to Rs. 192,146 thousand.

Total Capital Fund

	Particulars	Amount
	Core Capital (Tier 1) (after deduction of qualifying amount)	(4,521,246)
	Supplementary Capital (Tier 2)	551,478
	Total Capital Fund*	(4,521,246)

*Since the Tier 1 Capital is negative, Tier 2 Capital is not considered for calculating Total Capital Fund.

Risk weighted exposures under each 11 categories of Credit Risk

S. No.	Categories	RWE
1	Claims on Government and Central Bank	-
2	Claims on Other Financial Entities	-
3	Claims on Banks	1,812,931
4	Claims on Domestic Corporates and Securities Firms	-
5	Claims on Regulatory Retail Portfolio	-
6	Claims secured by residential properties	2,688,440
7	Claims Secured by Commercial real estate	-
8	Past due claims	-
9	High Risk claims	33,258,603
10	Other Assets	6,741,651
11	Off Balance Sheet Items	1,843,018
	Total	46,344,644

Risk weighted exposures for Credit, Market and Operational Risk

Risk Weighted Exposures	Amount
Risk Weighted Exposure for Credit Risk	46,344,644
Risk Weighted Exposure for Operational Risk	2,996,994
Risk Weighted Exposure for Market Risk	1,339,921
Supervisor's adjustment (addition)	
1 % of Net Interest Income on market risk (due to poor assets-liabilities management)	77,798
2 % of Gross Income on Operational risk (due to weak operational risk management)	200,902
4 % of Risk Weighted Exposure (Supervisor's addition due to poor risk management)	2,027,262
Total Risk Weighted Exposures	52,987,522

Amount of Non Performing Assets (both Gross and Net)

Particulars	Amount	
	Gross	Net
Bass B (Restructure)	170,850	-
Substandard	63,978	-
Doubtful	62,838	-
Bad	1,121,711	-
Total	1,419,378	-

NPA Ratios

NPA Ratios	%
Gross NPA to Gross Advances	5.17%
Net NPA to Net Advances	0.00%

Movement in Non Performing Assets

Particulars	This Quarter	Previous Quarter	Changes %
Non Performing Assets (Rs. in 000')	1,419,378	1,394,836	1.73%
Non Performing Assets (%)	5.17%	5.29%	-0.12%

Write off of Loans and Interest Suspense in the Quarter

None

Movement in Loan Loss Provision and Interest Suspense:

Particulars	This Quarter	Previous Quarter	Changes %
Loan Loss Provision	1,671,161	1,459,983	12.6%
Interest Suspense	3,399,706	3,336,182	1.9%

Details of Additional Loan Loss Provision

None

Segregation of Investment Portfolio

Particulars	Amount
Held for Trading	-
Held to Maturity	9,211,362
Available for sale	64,754
Total	9,276,116