

Disclosure under Capital Adequacy Framework 2007

As at Chaitra end 2069 of the Fiscal Year 2069/070 (Mid April of 2013)

Rs. in '000'

1 Capital structure and capital adequacy

Core Capital (Tier I)		Amount
a	Paid up equity Share Capital	1,772,828
b	Proposed Bonus Equity Shares	-
c	Irredeemable Non-cumulative preference shares	-
d	Share Premium	-
e	Statutory General Reserves	1,669,669
f	Retained Earnings	(7,131,112)
g	Un-audited current year cumulative profit	248,869
h	Capital Redemption Reserve	-
i	Capital Adjustment Reserve	342,344
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 Core Capital		(2,824,117)

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	701,530
e	Investment Adjustment Reserve	16,513
f	Assets Revaluation Reserve	-
g	Exchange Equalization Reserve	75,620
h	Other Reserves	-
Total Supplementary Capital		793,663

Details of Subordinated Term Debt:

Not Applicable

Deduction from Capital

The Bank holds net Investment in shares and debentures amounting to Rs. 80,668 thousand.

Total Capital Fund

Particulars	Amount
Core Capital (Tier 1) (after deduction of qualifying amount)	(2,904,785)
Supplementary Capital (Tier 2)	793,663
Total Capital Fund*	(2,904,785)

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

Capital Adequacy Ratio:

-4.50%

2 Risk weighted exposures for Credit, Market and Operational Risk

Risk Weighted Exposures	Amount
Risk Weighted Exposure for Credit Risk	56,585,426
Risk Weighted Exposure for Operational Risk	3,561,218
Risk Weighted Exposure for Market Risk	1,268,012
Total Risk Weighted Exposures	61,414,657
Supervisor's adjustment (addition)	
1 % of Net Interest Income on market risk (due to poor assets-liabilities management)	185,402
2 % of Gross Income on Operational risk (due to weak operational risk management)	523,759

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	2,166,515
4	Claims on Domestic Corporates and Securities Firms	-
5	Claims on Regulatory Retail Portfolio	-
6	Claims secured by residential properties	3,205,497
7	Claims Secured by Commercial real estate	-
8	Past due claims	-
9	High Risk claims	43,185,822
10	Other Assets	5,587,222
11	Off Balance Sheet Items	2,440,370
	Total	56,585,426

Amount of Non Performing Assets (both Gross and Net)

Particulars	Amount		
	Gross	Provision	Net
Bass B (Restructured)	-	-	-
Substandard	218,153	54,538	163,615
Doubtful	58,386	29,193	29,193
Bad	1,550,922	1,550,922	-
Total	1,827,461	1,634,653	192,808

NPA Ratios

Gross NPA to Gross Advances	5.19%
Net NPA to Net Advances	0.59%

Movement in Non Performing Assets

Particulars	This Quarter	Previous Quarter	Changes %
Non Performing Assets (Rs. in 000')	1,827,461	1,750,356	4.22%
Non Performing Assets (%)	5.19%	5.40%	-0.21%

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	2,336,183	2,013,349	13.8%
Interest Suspense	3,502,704	3,674,054	-4.7%

Details of Additional Loan Loss Provision

None

Segregation of Investment Portfolio

Particulars	Amount
Held for Trading	-
Held to Maturity	9,592,130
Available for sale	80,668
Total	9 672 799