

Disclosure under Capital Adequacy Framework 2007

As at Asadh end 2070 of the Fiscal Year 2069/070 (Mid July of 2013)

Rs. in '000'

1 Capital structure and capital adequacy

Core Capital (Tier I)		Amount
a	Paid up equity Share Capital	3,716,443
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	791,505
h	Capital Redemption Reserve	-
i	Capital Adjustment Reserve	342,344
j	Dividend Equalization Reserves	7,486
k	Deferred Tax Reserve	73,076
l	Capital Reserve (created for loan waived as per Nepal Govt. Direction)	259,736
m	Other Free Reserves	6,063
Total Core Capital		(264,790)

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	443,016
e	Investment Adjustment Reserve	16,513
f	Assets Revaluation Reserve	-
g	Exchange Equalization Reserve	75,620
h	Other Reserves	-
Total Supplementary Capital		535,150

Details of Subordinated Term Debt:

Not Applicable

Deduction from Capital

The Bank holds net Investment in shares and debentures amounting to Rs. 80,368 thousand.

Total Capital Fund

Particulars	Amount
Core Capital (Tier 1) (after deduction of qualifying amount)	(345,158)
Supplementary Capital (Tier 2)	535,150
Total Capital Fund*	(345,158)

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

Capital Adequacy Ratio:

-0.49%

2 Risk weighted exposures for Credit, Market and Operational Risk

Risk Weighted Exposures	Amount
Risk Weighted Exposure for Credit Risk	62,923,182
Risk Weighted Exposure for Operational Risk	3,561,218
Risk Weighted Exposure for Market Risk	1,246,385
Total Risk Weighted Exposures	67,730,785
Supervisor's adjustment (addition)	
1 % of Net Interest Income on market risk (due to poor assets-liabilities)	18,540
2 % of Gross Income on Operational risk (due to weak operational risk management)	523,759

4 % of Risk Weighted Exposure (Supervisor's addition due to poor risk management)	2,709,231
Total Risk Weighted Exposures (after supervisor's adjustment)	70,982,316

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	2,008,962
4	Claims on Domestic Corporates and Securities Firms	-
5	Claims on Regulatory Retail Portfolio	-
6	Claims secured by residential properties	3,500,135
7	Claims Secured by Commercial real estate	-
8	Past due claims	-
9	High Risk claims	46,539,468
10	Other Assets	7,589,563
11	Off Balance Sheet Items	3,285,052
Total		62,923,182

Amount of Non Performing Assets (both Gross and Net)

Particulars	Amount		
	Gross	Provision	Net
Bass B (Restructured)	80,656	10,082	70,574
Substandard	93,883	23,471	70,412
Doubtful	45,629	22,815	22,815
Bad	1,494,698	1,494,698	-
Total	1,714,866	1,551,065	163,801

NPA Ratios

Gross NPA to Gross Advances	4.53%
Net NPA to Net Advances	0.46%

Movement in Non Performing Assets

Particulars	This Quarter	Previous Quarter	Changes %
Non Performing Assets (Rs. in 000')	1,714,866	1,827,461	-6.57%
Non Performing Assets (%)	4.53%	5.19%	-0.66%

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	1,994,082	2,336,183	-17.2%
Interest Suspense	3,307,502	3,502,704	-5.6%

Details of Additional Loan Loss Provision

None

Segregation of Investment Portfolio

Particulars	Amount
Held for Trading	-
Held to Maturity	10,896,393
Available for sale	80,368
Total	10,976,762