

Disclosure under Capital Adequacy Framework 2007
As at Ashoj end 2069 of the Fiscal Year 2069/070 (Mid Oct. of 2012)

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	1,634,397
f	Retained Earnings	(6,784,087)
g	Un-audited current year cumulative profit	27,908
h	Capital Redemption Reserve	-
i	Capital Adjustment Reserve	304,306
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		(2,771,365)

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	340,225
e	Investment Adjustment Reserve	137
f	Assets Revaluation Reserve	-
g	Exchange Equalization Reserve	67,968
h	Other Reserves	-
Total Supplementary Capital		408,330

Details of Subordinated Term Debt:

Not Applicable

Deduction from Capital

The Bank holds net Investment in shares and debentures amounting to Rs. 208,060 thousand.

Total Capital Fund

Particulars	Amount
Core Capital (Tier 1) (after deduction of qualifying amount)	(2,979,425)
Supplementary Capital (Tier 2)	408,330
Total Capital Fund*	(2,979,425)

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

Capital Adequacy Ratio:

-5.36%

2 Risk weighted exposures for Credit, Market and Operational Risk

Risk Weighted Exposures		Amount
Risk Weighted Exposure for Credit Risk		48,332,377
Risk Weighted Exposure for Operational Risk		3,192,401
Risk Weighted Exposure for Market Risk		1,227,612
Total Risk Weighted Exposures		52,752,389
Supervisor's adjustment (addition)		
1 % of Net Interest Income on market risk (due to poor assets-liabilities management)		185,665
2 % of Gross Income on Operational risk (due to weak operational risk management)		525,539
4 % of Risk Weighted Exposure (Supervisor's addition due to poor risk management)		2,110,096
Total Risk Weighted Exposures (after supervisor's adjustment)		55,573,688

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	1,538,110
4	Claims on Domestic Corporates and Securities Firms	-
5	Claims on Regulatory Retail Portfolio	-
6	Claims secured by residential properties	2,883,295
7	Claims Secured by Commercial real estate	-
8	Past due claims	-
9	High Risk claims	36,114,912
10	Other Assets	5,685,042
11	Off Balance Sheet Items	2,111,017
	Total	48,332,377

Amount of Non Performing Assets (both Gross and Net)

Particulars	Amount		
	Gross	Provision	Net
Bass B (Restructured)	-	-	-
Substandard	112,936	28,234	84,702
Doubtful	61,576	30,820	30,756
Bad	1,569,747	1,569,747	-
Total	1,744,259	1,628,801	115,458

NPA Ratios

Gross NPA to Gross Advances	5.85%
Net NPA to Net Advances	0.41%

Movement in Non Performing Assets

Particulars	This Quarter	Previous Quarter	Changes %
Non Performing Assets (Rs. in 000')	1,744,259	1,553,918	10.91%
Non Performing Assets (%)	5.85%	5.23%	0.62%

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	1,969,027	1,696,428	13.8%
Interest Suspense	3,526,579	3,311,489	6.5%

Details of Additional Loan Loss Provision

None

Segregation of Investment Portfolio

Particulars	Amount
Held for Trading	-
Held to Maturity	9,151,578
Available for sale	80,668
Total	9,232,247