

## DISCLOSURE UNDER BASEL II

### 1. Capital Structure & Capital Adequacy Tier 1 Capital and breakdown of its components

	Core Capital (Tier I)	Current Period
a.	Paid up Equity Share Capital	1,430,000,000
b.	Share Premium	14,483,571
c.	Statutory General Reserves	109,784,693
d.	Retained Earnings	52,596,937
e.	Unaudited Current Year Cumulative Profit	24,484,081
f.	Deferred Tax Reserve	4,709,933
	<b>Total</b>	<b>1,636,059,215</b>

### Supplementary Capital and Breakdown of its components

	Supplementary Capital (Tier 2)	Current Period
	General Loan Loss provision	55,864,279
	Exchange Equalization Reserve	320,494
	<b>Total</b>	<b>56,184,773</b>

Detailed information about Subordinated Term Debts with information on the outstanding amount, maturity, amount raised during the year and amount eligible to be reckoned as capital funds      Not Applicable

Deductions from Capital      Nil

Total Qualifying Capital      Rs 1,692,243,988

Capital Adequacy Ratio      19.24 %

Summary of the terms, conditions and main features of all capital instruments, especially in case of subordinated term debts including hybrid capital instruments      Not applicable

## Risk Exposures

	Particulars	Current Period
a.	Risk Weighted Exposure for Credit Risk	7,868,834,080
b.	Risk Weighted Exposure for Operational Risk	873,178,516
c.	Risk Weighted Exposure for Market Risk	53,330,557
<b>Total Risk Weighted Exposures (a+b+c)</b>		<b>8,795,343,153</b>

## Risk Weighted exposure under each of 11 categories of Credit Risk

	Particulars	Risk Weighted Exposure
a.	Claims on government & central bank	NIL
b.	Claims on other official entities	30,000,000
c.	Claims on banks	335,592,024
d.	Claims on corporate & securities firms	2,705,869,291
e.	Claims on regulatory retail portfolio	189,120,807
f.	Claims secured by residential properties	328,667,837
g.	Claims secured by commercial real state	1,056,114,076
h.	Past due claims	(14,160,151)
i.	High risk claims	1,311,650,111
j.	Other assets	1,620,018,740
k.	Off Balance Sheet items	305,961,345
<b>TOTAL</b>		<b>7,868,834,080</b>

## Total Risk Weighted calculation Table

	Particulars	Current Period
a.	Risk Weighted Exposure for Credit Risk	7,868,834,080
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c.	Risk Weighted Exposure for Market Risk	53,330,557
<b>Total Risk Weighted Exposures (a+b+c)</b>		<b>8,795,343,153</b>

### Amount of NPAs

Category	Gross	Provision	Net
Substandard	8,502,794	2,125,699	6,377,095
Doubtful	46,352	23,176	23,176
Loss	23,713,685	23,713,685	NIL
<b>Total</b>	<b>32,262,831</b>	<b>25,862,560</b>	<b>6,400,271</b>

**NPA Ratio 0.57%**

### Movement of NPA

Particulars	Opening Balance	Closing Balance	Movement
Substandard	1,492,053	8,502,794	7,010,741
Doubtful	1,023,262	46,352	(976,910)
Loss	23,229,685	23,713,685	484,000
<b>Non Performing Loan</b>	<b>25,745,000</b>	<b>32,262,831</b>	<b>6,517,831</b>

**Write off of Loans & Interest Suspense: NIL**

### Movement of Loan Loss Provision & Interest Suspense

	Category	Opening Balance	Closing Balance	Movement
1.	Pass	52,424,930	55,864,279	3,439,349
2.	Restructured	10,358,844	10,355,774	(3,070)
3.	Substandard	373,014	2,125,699	1,752,685
4.	Doubtful	511,631	23,176	(488,455)
5.	Loss	23,229,685	23,713,685	484,000
	<b>Total Loan Provision</b>	<b>86,898,104</b>	<b>92,082,613</b>	<b>5,184,509</b>

### Interest Suspense

Particulars	Opening Balance	Closing Balance	Movement
Interest Suspense	20,757,640	24,912,003	4,154,363

### Details of Additional Loan Loss Provision

	Category	Current Period
1.	Pass	3,439,349
2.	Restructured	(3,070)
3.	Substandard	1,752,685
4.	Doubtful	(488,455)
5.	Loss	484,000
<b>Total Additional Loan Loss Provision</b>		<b>5,184,509</b>

### Segregation of Investment Portfolio

Particulars	Current Period
Held for Trading	NIL
Held to Maturity	898,823,139
Available for Sale	18,738,503
<b>Total Investment Portfolio</b>	<b>917,561,642</b>

### Eligible Credit Risk Mitigants (CRM) availed

Particulars	Current Period
Deposit with Bank	32,347,122
Deposit with other Banks / Financial Institutions	18,911,222
Government and NRB Securities	114,642,623
<b>Total CRM</b>	<b>165,900,967</b>

### Summary of the Banks internal approach to assess the adequacy of its capital to support current & future activities:

- Regular monitoring by the Compliance Department
- Supervision by the Top level Management