

## 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	52,596,939
e.	Unaudited Current Year Cumulative Profit	57,863,778
f.	Deferred Tax Reserve	4,709,933
	<b>Total</b>	<b>1,669,438,914</b>

### Supplementary Capital and Breakdown of its components

	Supplementary Capital (Tier 2)	Current Period
	General Loan Loss provision	68,456,357
	Exchange Equalization Reserve	320,494
	Investment Adjustment Reserve	374,770
	<b>Total</b>	<b>69,151,621</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 1,738,590,535

Capital Adequacy Ratio      19.71%

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	8,518,179,273
b.	Risk Weighted Exposure for Operational Risk	291,059,505
c.	Risk Weighted Exposure for Market Risk	9,706,638
<b>Total Risk Weighted Exposures (a+b+c)</b>		<b>8,818,945,416</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	596,049,192
d.	Claims on corporate & securities firms	3,402,629,616
e.	Claims on regulatory retail portfolio	309,741,313
f.	Claims secured by residential properties	316,707,839
g.	Claims secured by commercial real state	1,404,778,849
h.	Past due claims	1,943,767
i.	High risk claims	1483125847
j.	Other assets	511,848,176
k.	Off Balance Sheet items	461,354,674
<b>TOTAL</b>		<b>8,518,179,273</b>

## Amount of NPAs

Category	Gross	Provision	Net
Substandard	2,143,847	535,962	1,607,885
Doubtful	270,402	135,201	135,201
Loss	21,921,020	21,921,020	NIL
<b>Total</b>	<b>24,335,269</b>	<b>22,592,183</b>	<b>1,743,086</b>

**NPA Ratio 0.35%**

## Movement of NPA

Particulars	Opening Balance	Closing Balance	Movement
Substandard	8,502,794	2,143,847	(6,358,947)
Doubtful	46,352	270,402	224,050
Loss	23,713,685	21,921,020	(1,792,665)
Non Performing Loan	<b>32,262,831</b>	<b>24,335,269</b>	<b>(7,927,562)</b>

## Write off of Loans & Interest Suspense: NIL

## Movement of Loan Loss Provision & Interest Suspense

	Category	Opening Balance	Closing Balance	Movement
1.	Pass	55,864,279	68,456,357	12,592,078
2.	Restructured	10,355,774	10,048,687	(307,087)
3.	Substandard	2,125,699	535,962	(1,589,737)
4.	Doubtful	23,176	135,201	112,025
5.	Loss	23,713,685	21,921,020	(1,792,665)
	<b>Total Loan Provision</b>	<b>92,082,613</b>	<b>101,097,227</b>	<b>9,014,614</b>

## Interest Suspense

Particulars	Opening Balance	Closing Balance	Movement
Interest Suspense	24,912,003	26,036,570	1,124,567

## Details of Additional Loan Loss Provision

	Category	Current Period
1.	Pass	16,031,427
2.	Restructured	NIL
3.	Substandard	535,961
4.	Doubtful	135,201
5.	Loss	480,184
	<b>Total Additional Loan Loss Provision</b>	<b>17,182,773</b>

### Segregation of Investment Portfolio

Particulars	Current Period
Held for Trading	NIL
Held to Maturity	1,054,116,487
Available for Sale	18,738,503
<b>Total Investment Portfolio</b>	<b>1,072,854,990</b>

### Eligible Credit Risk Mitigants (CRM) availed

Particulars	Current Period
Deposit with Bank	22,393,060
Deposit with other Banks / Financial Institutions	20,848,733
Government and NRB Securities	32,795,444
<b>Total CRM</b>	<b>76,037,237</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