

**DISCLOSURE UNDER NEW CAPITAL ADEQUACY FRAMEWORK
FOR THE QUARTER ENDING ASHWIN 2068**

1. Capital structure and capital adequacy:

- **Tier 1 capital and a breakdown of its components:**

	Details	Amount (NPR)
1.	Paid up Equity Share Capital	2,000,000,000
2.	Share Premium	10,077,915
3.	Statutory General Reserves	186,059,746
4.	Retained Earnings	7,132,962
5.	Unaudited Current Year Cumulative Profit	42,413,169
6.	Less: Investment in equity of institutions with financial interests	(70,000,000)
	Total Core Capital	2,175,683,792

- **Tier 2 capital and a breakdown of its components:**

	Details	Amount (NPR)
1.	General loan loss provision	113,307,301
2.	Exchange Equalization Reserve	6,414,442
3.	Investment Adjustment Reserve	1,776,760
	Total Supplementary Capital	121,498,503

- **Detailed information about the Subordinated Term Debts with information on the outstanding amount, maturity, and amount raised during the year and amount eligible to be reckoned as capital funds.**

- The Bank does not have any Subordinated Term Debts

- **Deductions from capital:**

- Investment in equity shares of subsidiary company NMB Capital Ltd amounting to NPR 70,000,000 is deducted from Capital.

- **Total qualifying capital:**

	Details	Amount (NPR)
1.	Core Capital (Tier 1)	2,175,683,792
2.	Supplementary Capital (Tier 2)	121,498,503
	Total Supplementary Capital	2,297,182,295

- **Capital Adequacy Ratio:**

	Details	Percentage
1.	Tier 1 Capital to Total Risk Weighted Exposure	15.93 %
2.	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposure	16.82%

- **Summary of the terms, conditions and main features of all capital instruments, especially in case of subordinated term debts including hybrid capital instruments.**

- Bank does not have any other capital instruments except fully paid up Equity Shares as qualifying capital.

2. Risk exposures:

- Risk weighted exposures for Credit Risk, Market Risk and Operational Risk:

S.N.	Risk Weighted Exposure	Amount (NPR)
a.	Risk Weighted Exposure for Credit Risk	12,649,764,386
b.	Risk Weighted Exposure for Operational Risk	638,978,413
c.	Risk Weighted Exposure for Market Risk	102,519,148
	Total Risk Weighted Exposures (a+b+c)	13,391,261,947
	Add : 2% of the the total RWE due to Supervisory add up	267,825,239
	Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	13,659,087,186

- Risk Weighted Exposures under each of 11 categories of Credit Risk:

S.N.	Particulars	Amount (NPR)
1.	Claims on government and Central Bank	NIL
2.	Claims on other Official Entities	30,000,000
3.	Claims on Bank	288,656,328
4.	Claims on Domestic Corporate and Securities Firms	7,618,400,291
5.	Claims on Regulatory Retail Portfolio	815,311,437
6.	Claims secured by Residential Properties	287,407,271
7.	Claims secured by Commercial Real Estate	928,554,773
8.	Past Due Claims	82,771,835
9.	High Risk Claims	1,675,577,350
10.	Other Assets	406,035,316
11.	Off Balance sheet items	517,049,785
	TOTAL	12,649,764,386

- Total Risk Weighted Exposure calculation table:

S.N.	Particulars	Amount (NPR)
a.	Risk Weighted Exposure for Credit Risk	12,649,764,386
b.	Risk Weighted Exposure for Operational Risk	638,978,413
c.	Risk Weighted Exposure for Market Risk	102,519,148
1.	Total Risk Weighted Exposure	13,391,261,947
	Add : 2% of the the total RWE due to Supervisory add up	267,825,239
	Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	13,659,087,186
2.	Total Core Capital Fund (Tier 1)	2,175,683,792
3.	Total Capital Fund (Tier 1 & Tier 2)	2,297,182,295
4.	Total Core Capital to Total Risk Weighted Exposures	15.93%
5.	Total Capital to Total Risk Weighted Exposures	16.82%

Amount of Non Performing Assets (NPAs)

Category	Gross	Provision	Net
Restructure/Reschedule Loan	4,456,628	3,671,424	785,204
Substandard	62,749,321	15,938,823	46,810,499
Doubtful	4,563,206	2,281,603	2,281,603
Loss	9,377,300	9,377,300	NIL
Total	81,146,456	31,269,151	49,877,305

NPA Ratio

Gross NPA to Gross Advances	0.72 %
Net NPA to Net Advances	0.45%

Movement of Non Performing Assets

Particulars	Ashad End 2068	Ashwin End 2068	Movement	Changes (%)
Restructure/Reschedule Loan	5,725,639	4,456,628	(1,269,011)	-22.16%
Substandard	8,935,669	62,749,321	53,813,652	602.23%
Doubtful	3,104,923	4,563,206	1,458,283	-46.97%
Loss	12,393,517	9,377,300	(3,016,217)	-24.34%
Total Non Performing Loan	30,159,748	81,146,455	50,986,707	602.70%

Write off of Loans & Interest Suspense: NIL

Movement of Loan Loss Provision & Interest Suspense

	Category	Ashad End 2068	Ashwin End 2068	Movement	Changes (%)
1.	Pass	113,229,322	113,587,853	358,531	0.32%
2.	Restructured	4,923,801	3,671,424	(1,252,377)	-25.44%
3.	Substandard	2,233,917	15,938,823	13,704,906	613.49%
4.	Doubtful	1,737,423	2,281,603	544,180	-31.32%
5.	Loss	12,393,517	9,377,300	(3,016,217)	-24.34%
	Total Loan Provision	134,517,980	144,857,003	10,339,023	169.05%
	Interest Suspense	49,220,036	71,041,803	21,821,767	44.33%

Segregation of Investment Portfolio

Particulars	Current Period
Held for Trading	7,900,000
Held for Maturity	1,609,439,509
Available for Sale	13,450,549
Total Investment Portfolio	1,630,790,058

Eligible Credit Risk Mitigants (CRM) availed

As per the provisions of the New Capital Adequacy Framework, the bank has claimed all the eligible credit risk mitigant of NPR 129,105,088 for Balance Sheet and Off Balance Sheet exposures and availed benefit thereof.

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