

**DISCLOSURE UNDER NEW CAPITAL ADEQUACY FRAMEWORK
FOR THE QUARTER ENDING POUH 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	54,716,493
6.	Less: Investment in equity of institutions with financial interests	(70,000,000)
Total Core Capital		2,187,987,116

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

	Details	Amount (NPR)
1.	General loan loss provision	116,258,593
2.	Exchange Equalization Reserve	6,414,442
3.	Investment Adjustment Reserve	1,776,760
Total Supplementary Capital		124,449,795

- **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)	2,187,987,116
2.	Supplementary Capital (Tier 2)	124,449,795
Total Supplementary Capital		2,312,436,911

- **Capital Adequacy Ratio:**

	Details	Percentage
1.	Tier 1 Capital to Total Risk Weighted Exposure	14.56 %
2.	Tier 1 and Tier 2 Capital to Total Risk Weighted Exposure	15.38%

- **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	13,997,781,637
b.	Risk Weighted Exposure for Operational Risk	638,978,413
c.	Risk Weighted Exposure for Market Risk	100,909,152
	Total Risk Weighted Exposures (a+ b+ c)	14,737,669,201
	Add : 2% of the the total RWE due to Supervisory add up	294,753,384
	Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	15,032,422,585

- 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	460,622,640
4.	Claims on Domestic Corporate and Securities Firms	7,671,732,644
5.	Claims on Regulatory Retail Portfolio	669,016,154
6.	Claims secured by Residential Properties	370,438,406
7.	Claims secured by Commercial Real Estate	797,849,636
8.	Past Due Claims	412,002,732
9.	High Risk Claims	2,284,231,466
10.	Other Assets	453,981,871
11.	Off Balance sheet items	847,906,088
	TOTAL	13,997,781,637

- Total Risk Weighted Exposure calculation table:

S.N.	Particulars	Amount (NPR)
a.	Risk Weighted Exposure for Credit Risk	13,997,781,637
b.	Risk Weighted Exposure for Operational Risk	638,978,413
c.	Risk Weighted Exposure for Market Risk	100,909,152
1.	Total Risk Weighted Exposure	14,737,669,201
	Add : 2% of the the total RWE due to Supervisory add up	294,753,384
	Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	15,032,422,585
2.	Total Core Capital Fund (Tier 1)	2,187,987,116
3.	Total Capital Fund (Tier 1 & Tier 2)	2,312,436,911
4.	Total Core Capital to Total Risk Weighted Exposures	14.56%
5.	Total Capital to Total Risk Weighted Exposures	15.38%

Amount of Non Performing Assets (NPAs)

Category	Gross	Provision	Net
Restructure/Reschedule Loan	3,677,796	459,724	3,218,072
Substandard	295,584,290	73,896,073	221,688,217
Doubtful	15,445,501	7,884,907	7,560,594
Loss	9,368,986	9,368,986	NIL
Total	324,076,573.08	91,609,690	232,466,883

NPA Ratio

Gross NPA to Gross Advances	2.70 %
Net NPA to Net Advances	1.97%

Movement of Non Performing Assets

Particulars	Ashwin End 2068	Poush End 2068	Movement	Changes (%)
Restructure/Reschedule Loan	4,456,628	3,677,796	(778,832)	-17.48%
Substandard	62,749,321	295,584,290	232,834,969	371.06%
Doubtful	4,563,206	15,445,501	10,882,295	238.48%
Loss	9,377,300	9,368,986	(8,314)	-0.09%
Total Non Performing Loan	81,146,455	324,076,573.08	242,930,118	591.97%

Write off of Loans & Interest Suspense: NIL

Movement of Loan Loss Provision & Interest Suspense

	Category	Ashwin End 2068	Poush End 2068	Movement	Changes (%)
1.	Pass	113,587,853	116,750,615	3,162,762	2.78%
2.	Restructured	3,671,424	459,724	(3,211,700)	-87.48%
3.	Substandard	15,938,823	73,896,073	57,957,250	363.62%
4.	Doubtful	2,281,603	7,884,907	5,603,304	245.59%
5.	Loss	9,377,300	9,368,986	(8,314)	-0.09%
	Total Loan Provision	144,857,003	208,360,305.49	63,503,302	524.43%
	Interest Suspense	71,041,803	71,784,501	742,698	1.05%

Segregation of Investment Portfolio

Particulars	Current Period
Held for Trading	9,400,000
Held for Maturity	1,266,544,548
Available for Sale	13,450,549
Total Investment Portfolio	1,289,395,097

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 141,070,702 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