

Disclosure under BASEL II

As at mid April (3rd Quarter End of FY 2009/10)

Capital Structure and Capital Adequacy

Tier 1 Capital and Breakdown of its Components

NRs.

Particulars	Amount
a Paid up Equity Share Capital	1,740,387,600
b Irredeemable Non-cumulative preference shares	
c Share Premium	14,107,500
d Proposed Bonus Equity Shares	
e Statutory General Reserves	65,696,181
f Retained Earnings	49,915,980
g Un-audited current year cumulative profit	116,788,000
h Capital Redemption Reserve	
i Capital Adjustment Reserve	
j Dividend Equalization Reserves	
k Other Free Reserve	
Total Tier 1 Capital	1,986,895,261

Tier 2 Capital and Breakdown of its Components

Particulars	Amount
a Cumulative and/or Redeemable Preference Share	
b Subordinated Term Debt	
c Hybrid Capital Instruments	
d General loan loss provision	72,522,839
e Exchange Equalization Reserve	1,720,734
f Investment Adjustment Reserve	
g Assets Revaluation Reserve	
h Other Reserves	
Total Tier 2 Capital	74,243,573

Details of Subordinated Term Debt

The Bank has no Subordinated Term Debt

Deductions From Capital

Particulars	Amount
a Goodwill	
b Miscellaneous Expenditure not written off	(2,979,663)
c Investment in equity in licensed Financial Institutions	
d Investment in equity of institutions with financial interests	
e Investment in equity of institutions in excess of limits	
f Investments arising out of underwriting commitments	(4,471,000)
g Reciprocal crossholdings	
h Other Deductions	
Total	(7,450,663)

Total Qualifying Capital

NRs.

Particulars	Amount
Core Capital (Tier 1)	1,979,444,598
Supplementary Capital (Tier 2)	74,243,573
Total Capital Fund	2,053,688,171

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

NRs.

S.No.	Categorises	Risk Weighted Exposure
1	Claims on Government and Central Bank	
2	Claims on Other Financial Entities	
3	Claims on Banks	198,871,749
4	Claims on Domestic Corporates and Securities Firms	4,895,115,056
5	Claims on Regulatory Retail Portfolio	
6	Claims secured by Residential properties	
7	Claims secured by Commercial Real estate	
8	Past due Claims	
9	High Risk claims	3,520,120,701
10	Other Assets	431,108,065
11	Off Balance Sheet Items	810,430,067
	Total	9,855,645,638

Risk Weighted Exposures for Credit Risk, Market Risk and Operational Risk

NRs.

Risk Weighted Exposures	Amount
Risk Weighted Exposures for Credit Risk	9,859,583,138
Risk Weighted Exposures for Operational Risk	305,895,180
Risk Weighted Exposures for Market Risk	21,584,939
Total Risk Weighted Exposures	10,187,063,257

Total Risk Weight Exposures Calculation Table

Particulars	Amount
Risk Weighted Exposures for Credit Risk	9,859,583,138
Risk Weighted Exposures for Operational Risk	305,895,180
Risk Weighted Exposures for Market Risk	21,584,939
Total Tier 1 Capital to Total Risk Weighted Exposures	19.43%
Total Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	20.16%

Amount of Non Performing Assets (both Gross and Net)

NRs.

Particulars	Gross NPA	Provision	Net NPA
Rescheduled/ Restructured	694,894	86,862	608,032
Sub-Standard	4,578,993	1,144,748	3,434,245
Doubtful	77,045,312	38,522,656	38,522,656
Loss	16,565,105	16,565,105	-
Total	98,884,304	56,319,371	42,564,933

NPA Ratios

NPA Ratios	(%)
Gross NPA to Gross Advances	1.33%
Net NPA to Net Advances	0.58%

Movement in Non Performing Assets

Particulars	This Quarter	Previous Quarter	Changes (%)
Non Performing Assets	98,884,304	97,012,832	1.93%

Write Off of Loans and Interest Suspense in the Quarter

None

Movement in Loan Loss Provision and Interest Suspense

Particulars	This Quarter	Previous Quarter	Changes(%)
Loan Loss Provision	129,621,404	127,107,625	1.98%
Interest Suspense	51,184,255	23,430,155	118.45%

Details of Additional Loan Loss Provision:

None

Segregation of Investment Portfolio

NRs.

Particulars	Amount
Held to Maturity	651,722,585
Available for Sale	5,190,000