

Disclosure under BASEL II

As at mid January 2009 (2nd Quarter End of FY 2008/09)

Capital Structure and Capital Adequacy

Tier 1 Capital and Breakdown of its Components

		NRs.
Particulars		Amount
a	Paid up Equity Share Capital	1,107,456,000
b	Irredeemable Non-cumulative preference shares	
c	Share Premium	14,107,500
d	Proposed Bonus Equity Shares	
e	Statutory General Reserves	45,085,046
f	Retained Earnings	55,253,012
g	Un-audited current year cumulative profit	81,641,615
h	Capital Redemption Reserve	
i	Capital Adjustment Reserve	
j	Dividend Equalization Reserves	
k	Other Free Reserve	
	Total Tier 1 Capital	1,303,543,173

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	50,447,066
e	Exchange Equalization Reserve	1,059,630
f	Investment Adjustment Reserve	
g	Assets Revaluation Reserve	
h	Other Reserves	
	Total Tier 2 Capital	51,506,696

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	(2,209,605)
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	(6,680,605)

Total Qualifying Capital

Particulars	Amount
	NRs.
Core Capital (Tier 1)	1,296,862,568
Supplementary Capital (Tier 2)	51,506,696
Total Capital Fund	1,348,369,264

Risk Exposures:

Risk Weighted Exposures under each 11 categories of Credit Risk

S.No.	Categorises	Risk Weighted Exposure
		NRs.
1	Claims on Government and Central Bank	
2	Claims on Other Financial Entities	
3	Claims on Banks	319,964,204
4	Claims on Domestic Corporates and Securities Firms	2,716,606,863
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	3,528,057,417
10 Other Assets	272,361,239
11 Off Balance Sheet Items	238,730,997
Total	7,075,720,720

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

	NRs.
Risk Weighted Exposures	Amount
Risk Weighted Exposures for Credit Risk	7,075,720,720
Risk Weighted Exposures for Operational Risk	214,309,090
Risk Weighted Exposures for Market Risk	67,174,899
Total Risk Weighted Exposures	7,357,204,709

Total Risk Weight Exposures Calculation Table

Particulars	Amount
Risk Weighted Exposures for Credit Risk	7,075,720,720
Risk Weighted Exposures for Operational Risk	214,309,090
Risk Weighted Exposures for Market Risk	67,174,899
Total Tier 1 Capital to Total Risk Weighted Exposures	17.63%
Total Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	18.33%

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	5,263,358	1,315,840	3,947,519
Doubtful	69,362,917	34,681,459	34,681,459
Loss	15,823,014	15,823,014	-
Total	91,144,183	51,907,174	39,237,009

NPA Ratios

NPA Ratios	(%)
Gross NPA to Gross Advances	1.77%

Net NPA to Net Advances 0.78%

Movement in Non Performing Assets

Particulars	This Quarter	Previous Quarter	Changes (%)
Non Performing Assets	91,144,183	97,211,617	-6.24%

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	102,354,240	95,952,868	6.67%
Interest Suspense	13,552,844	21,809,411	-37.86%

Details of Additional Loan Loss Provision:

None

Segregation of Investment Portfolio

Particulars	NRs. Amount
Held for Trading	5,521,000
Held to Maturity	204,211,380
Available for Sale	3,025,000