Disclosure under BASEL II

As at mid July 2009 (4th 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	1,655,288,900
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	103,055,675
h	Capital Redemption Reserve	
i	Capital Adjustment Reserve	
j	Dividend Equalization Reserves	
k	Other Free Reserve	
	Total Tier 1 Capital	**1,872,790,133**

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	63,729,777
e	Exchange Equalization Reserve	1,059,630
f	Investment Adjustment Reserve	
g	Assets Revaluation Reserve	
h	Other Reserves	
	Total Tier 2 Capital	**64,789,407**

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	(3,442,875)
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	**(7,913,875)**

Total Qualifying Capital

NRs.

Particulars	Amount
Core Capital (Tier 1)	1,864,876,258
Supplementary Capital (Tier 2)	64,789,407
Total Capital Fund	**1,929,665,665**

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	360,968,454
4	Claims on Domestic Corporates and Securities Firms	3,830,944,359
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	3,792,591,861
10	Other Assets	292,455,434
11	Off Balance Sheet Items	651,083,992
	Total	**8,928,044,100**

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

NRs.

Risk Weighted Exposures	Amount
Risk Weighted Exposures for Credit Risk	8,928,044,100
Risk Weighted Exposures for Operational Risk	214,309,090
Risk Weighted Exposures for Market Risk	38,845,033
Total Risk Weighted Exposures	**9,181,198,223**

Total Risk Weight Exposures Calculation Table

Particulars	Amount
Risk Weighted Exposures for Credit Risk	8,928,044,100
Risk Weighted Exposures for Operational Risk	214,309,090
Risk Weighted Exposures for Market Risk	38,845,033
Total Tier 1 Capital to Total Risk Weighted Exposures	20.31%
Total Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	21.02%

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	5,856,449	1,464,112	4,392,337
Doubtful	79,456,321	39,728,161	39,728,161
Loss	16,970,023	16,970,023	-
Total	**102,977,687**	**58,249,158**	**44,728,530**

NPA Ratios

NPA Ratios	(%)
Gross NPA to Gross Advances	1.59%
Net NPA to Net Advances	0.70%

Movement in Non Performing Assets

Particulars	This Quarter	Previous Quarter	Changes (%)
Non Performing Assets	102,977,687	93,728,249	9.87%

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	121,978,934	112,304,079	8.61%
Interest Suspense	7,875,762	17,465,874	-54.91%

Details of Additional Loan Loss Provision:

None

Segregation of Investment Portfolio

NRs.

Particulars	Amount
Held for Trading	5,896,000
Held to Maturity	478,366,596
Available for Sale	13,550,000