

## Disclosure under BASEL II

As at mid July (4th 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	1,746,282,700
b Irredeemable Non-cumulative preference shares	
c Share Premium	20,170,606
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	161,664,890
h Capital Redemption Reserve	
i Capital Adjustment Reserve	
j Dividend Equalization Reserves	
k Other Free Reserve	
<b>Total Tier 1 Capital</b>	<b>2,043,730,357</b>

#### 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	74,369,572
e Exchange Equalization Reserve	1,720,734
f Investment Adjustment Reserve	
g Assets Revaluation Reserve	
h Other Reserves	
<b>Total Tier 2 Capital</b>	<b>76,090,306</b>

#### 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	(3,320,151)
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	
<b>Total</b>	<b>(7,791,151)</b>

#### Total Qualifying Capital

NRs.

Particulars	Amount
Core Capital (Tier 1)	2,035,939,206
Supplementary Capital (Tier 2)	76,090,306
<b>Total Capital Fund</b>	<b>2,112,029,512</b>

**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	265,129,277
4	Claims on Domestic Corporates and Securities Firms	2,393,137,646
5	Claims on Regulatory Retail Portfolio	299,102,750
6	Claims secured by Residential properties	183,944,081
7	Claims secured by Commercial Real estate	3,355,487,057
8	Past due Claims	79,377,780
9	High Risk claims	1,046,249,407
10	Other Assets	337,233,601
11	Off Balance Sheet Items	335,314,931
	<b>Total</b>	<b>8,294,976,529</b>

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

NRs.

Risk Weighted Exposures	Amount
Risk Weighted Exposures for Credit Risk	8,294,976,529
Risk Weighted Exposures for Operational Risk	305,895,180
Risk Weighted Exposures for Market Risk	15,941,311
<b>Total Risk Weighted Exposures</b>	<b>8,616,813,020</b>

**Total Risk Weight Exposures Calculation Table**

Particulars	Amount
Risk Weighted Exposures for Credit Risk	8,294,976,529
Risk Weighted Exposures for Operational Risk	305,895,180
Risk Weighted Exposures for Market Risk	15,941,311
Total Tier 1 Capital to Total Risk Weighted Exposures	23.63%
Total Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	24.51%

**Amount of Non Performing Assets (both Gross and Net)**

NRs.

Particulars	Gross NPA	Provision	Net NPA
Rescheduled/ Restructured	-	-	-
Sub-Standard	9,090,941	2,272,735	6,818,206
Doubtful	81,617,692	40,808,846	40,808,846
Loss	18,010,119	18,010,119	-
<b>Total</b>	<b>108,718,751</b>	<b>61,091,700</b>	<b>47,627,051</b>

**NPA Ratios**

NPA Ratios	(%)
Gross NPA to Gross Advances	1.44%
Net NPA to Net Advances	0.64%

**Movement in Non Performing Assets**

Particulars	This Quarter	Previous Quarter	Changes (%)
Non Performing Assets	108,718,751	98,884,304	9.95%

**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	135,461,272	129,621,404	4.51%
Interest Suspense	29,217,701	51,184,255	-42.92%

**Details of Additional Loan Loss Provision:**

None

**Segregation of Investment Portfolio**

NRs.

Particulars	Amount
Held to Maturity	875,972,556
Available for Sale	7,250,000