

Disclosure under BASEL II

As at mid October 2008 (1st 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	1,107,456,000.00
b	Irredeemable Non-cumulative preference shares	
c	Share Premium	14,107,500.00
d	Proposed Bonus Equity Shares	
e	Statutory General Reserves	34,093,616.00
f	Retained Earnings	99,641,798.00
g	Un-audited current year cumulative profit	40,521,044.00
h	Capital Redemption Reserve	
i	Capital Adjustment Reserve	
j	Dividend Equalization Reserves	
k	Other Free Reserve	
	Total Tier 1 Capital	1,295,819,958.00

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	44,158,043.00
e	Exchange Equalization Reserve	58,261.00
f	Investment Adjustment Reserve	
g	Assets Revaluation Reserve	
h	Other Reserves	
	Total Tier 2 Capital	44,216,304.00

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	(1,500,255.00)
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	(4,471,000.00)
g	Reciprocal crossholdings	
h	Other Deductions	
	Total	(5,971,255.00)

Total Qualifying Capital

		NRs.
Particulars	Amount	
	Core Capital (Tier 1)	1,289,848,703.00
	Supplementary Capital (Tier 2)	44,216,304.00
	Total Capital Fund	1,334,065,007.00

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	560,876,763.00
4	Claims on Domestic Corporates and Securities Firms	1,832,427,494.00

5 Claims on Regulatory Retail Portfolio	
6 Claims secured by Residential properties	
7 Claims secured by Commercial Real estate	
8 Past due Claims	56,899,992.00
9 High Risk claims	3,842,550,644.00
10 Other Assets	187,741,582.00
11 Off Balance Sheet Items	578,160,920.00
Total	7,058,657,395.00

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

NRs.

Risk Weighted Exposures	Amount
Risk Weighted Exposures for Credit Risk	7,058,657,395.00
Risk Weighted Exposures for Operational Risk	214,309,090.00
Risk Weighted Exposures for Market Risk	49,127,085.00
Total Risk Weighted Exposures	7,322,093,570.00

Total Risk Weight Exposures Calculation Table:

Particulars	Amount
Risk Weighted Exposures for Credit Risk	7,058,657,395.00
Risk Weighted Exposures for Operational Risk	214,309,090.00
Risk Weighted Exposures for Market Risk	49,127,085.00
Total Tier 1 Capital to Total Risk Weighted Exposures	17.62%
Total Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	18.22%

Amount of Non Performing Assets (both Gross and Net)

NRs.

Particulars	Gross NPA	Provision	Net NPA
Rescheduled/ Restructured	1,436,893.84	179,611.73	1,257,282.11
Sub-Standard	16,734,618.45	4,183,654.61	12,550,963.84
Doubtful	63,217,090.06	31,608,545.03	31,608,545.03
Loss	15,823,014.42	15,823,014.42	-
Total	97,211,616.77	51,794,825.79	45,416,790.98

NPA Ratios

NPA Ratios	(%)
Gross NPA to Gross Advances	2.15%
Net NPA to Net Advances	1.03%

Movement in Non Performing Assets

Particulars	This Quarter	Previous Quarter	Changes (%)
Non Performing Assets	97,211,616.77	85,637,013.00	13.52%

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	95,952,868.32	53,771,230.00	78.45%
Interest Suspense	21,809,410.71	7,304,158.00	198.59%

Details of Additional Loan Loss Provision:

None

Segregation of Investment Portfolio:

NRs.

Particulars	Amount
Held for Trading	5,521,000.00
Held to Maturity	366,250,000.00
Available for Sale	1,800,000.00