

1 Capital structure and Capital Adequacy:

Core capital and its components

	Description	Amount
a	Paid up equity Share capital	2,101,840,000.00
b	Statutory general reserve	108,513,421.00
c	Retained earning	9,220,557.00
d	Share Premium	2,971,617.08
e	Un-Audited Current year Cumulative profit	72,236,943.26
	Less: Miscellaneous Expenditure not written off	(2,562,612.92)
	Core Capital (tier 1)	2,292,219,925.42

Supplementary capital and its components:

	Description	Amount
a	General loan loss provision	122,518,842.27
b	Exchange Equilisation reserve	814,556.68
c	Investment Adjustment Reserve	74,000.00
	Supplementary Capital(Tier 2)	123,407,398.95

Detailed information about the term debts with information on the outstanding amount, maturity, amount raised during the year and amount eligible to be reckoned as capital fund.

NIL

Deduction from Capital:

NIL

Total Qualifying capital

	Description	Amount
a	Core capital(Tier 1)	2,292,219,925.42
b	Supplementary Capital(Tier2)	123,407,398.95
	Total Capital Fund(Tier1 & 2)	2,415,627,324.37

Capital Adequacy ratio

16.47%

Risk weighted exposure for credit risk, market risk and operational risk

	RISK WEIGHTED EXPOSURE	Amount
a	Risk weighted Exposure for credit risk	13,527,525,513.30
b	Risk weighted Exposure for Operational Risk	808,432,037.00
c	Risk weighted Exposure for Market Risk	41,690,512.45
d	Total Risk weighted exposure(a+b+c)*	14,377,648,062.75

11 Categories of Credit Risk Weighted Exposure

	Risk Weighted Exposure	Amount
a	Claims On Government and Central Bank	
b	Claims On Other Official Entities	1,650,966.09
c	Claims On Banks	183,099,775.67
d	Claims on Corporate And Securities Firms	6,737,382,448.30
e	Claims On Regulatory Retail Portfolio	1,401,511,894.22
f	Claims Secured By Residential Properties	237,055,310.03
g	Claims Secured By Commercial Real Estate	2,190,187,764.88
h	Past Due Claims	293,768,661.37
i	High Risk Claims	1,043,761,737.88
j	Other Assets	362,379,000.98
k	Off Balance Sheet Items	1,076,727,953.88
	Total Risk Weighted Assets	13,527,525,513.30

Total Risk Weighted Exposure Calculation Table

a	Risk weighted Exposure for credit risk	13,527,525,513.30
b	Risk weighted Exposure for Operational Risk	808,432,037.00
c	Risk weighted Exposure for Market Risk	41,690,512.45
d	Capital charge for shortfall of liquid assets	-
e	1% of Net Interest Income As Supervisory Haircut	3,236,770.33
f	2% of RWE as Supervisory Haircut	287,552,961.25
g	Total Risk weighted exposure	14,668,437,794.33
h	Total capital fund(tier I& tier II)	2,415,627,324.37
	Capital Adequacy Ratios(f ÷ e)	16.47%

Amount of non performing Assets(Both Gross and Net)

Restructured/Rescheduled loan

NIL

Substandard Loan

NPR 299,833,161.59

Doubtful Loan

NPR 21,881,930.13

Loss Loan

NPR 42,781,905.16

Ratio of Non Performing Assets

Gross NPA to Gross Advances

2.89%

Net NPA to Net Advances

1.90%

Movement of Non performing Assets

Non performing assets upto previous quarter was NPR 370,768,411.79 which has decreased to NPR 364,496,996.88 in this quarter.

Write off of Loans and Interest Suspense

NIL

Movement in Loan Loss Provisions and interest Suspense

Loan Loss Provision and Interest Suspense upto Ashwin End 2068 was NPR 243,819,264.53 and NPR 88,089,735.65 respectively. The same is NPR 252,141,191.22 and NPR 108,661,207.16 respectively as of Poush End 2068.

Detail of Additional Loan loss Provisions

Additional Loan Loss Provision of NPR 5,199,991.08 and NPR 8,292,746.51 has been made for Pass Loan and Loss Loan respectively.

Segregation of investment portfolio into held for trading, held to maturity and available for sale category

Out of total investment NPR 840,501,816.57 are held to maturity category and NPR 3,700,000.00 are categorised as available for sale.

Summary of the banks internal approach to assess the adequacy of its capital to support current and future activities

The current paid up capital of the bank stands at NPR 2,101,840,000.00, the current capital structure fully supports the functions of the bank. The issued capital of the bank is at NPR 3,000,000,000.00, which means that the bank has the ability to increase its capital as per the requirement. The bank will analyze the requirements on the future activities and look at increasing the paid up capital, as per the requirement.

Summary of the terms, conditions and main features of all capital instruments, especially in case of subordinated terms debts including hybrid capital instrument

All the capital of the bank is unconditional. We do not have any subordinate terms debt.

