

1 Capital structure and Capital Adequacy:

Core capital and its components

	Description	Amount
a	Paid up equity Share capital	1,000,000,000.00
b	Statutory general reserve	10,968,249.10
c	Retained earning	28,237,924.02
d	Un-Audited Current year Cumulative profit	65,211,717.78
	Core Capital (tier 1)	1,104,417,890.90

Supplementary capital and its components:

	Description	Amount
a	General loan loss provision	70,466,780.05
b	Exchange Equilisation reserve	215,034.63
	Supplementary Capital(Tier 2)	70,681,814.68

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)	1,104,417,890.90
b	Supplementary Capital(Tier2)	70,681,814.68
	Total Capital Fund(Tier1 & 2)	1,175,099,705.58

Capital Adequacy ratio

14.119%

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

	RISK WEIGHTED EXPOSURE	Amount
a	Risk weighted Exposure for credit risk	8,026,511,208.09
b	Risk weighted Exposure for Operational Risk	290,412,489.60
c	Risk weighted Exposure for Market Risk	6,052,934.19
d	Total Risk weighted exposure(a+b+c)	8,322,976,631.88

11 categories of credit risk weighted exposure

	Risk Weighted Exposure	Amount
a	Claims On Government and Central Bank	-
b	Claims On Other Official Entities	26,907,915.23
c	Claims On Banks	591,749,970.34
d	Claims on Corporate And Securities Firms	3,113,778,679.59
e	Claims On Regulatory Retail Portfolio	598,915,727.57
f	Claims Secured By Resedential Properties	235,844,163.29
g	Claims Secured By Commercial Real Estate	1,808,260,802.99
h	Past Due Claims	-
i	High Risk Claims	1,011,338,880.93
j	Other Assets	223,717,126.57
k	Off Balance Sheet Items	415,997,941.59
	Total Risk Weighted Assets	8,026,511,208.09

Total Risk Weighted Exposure Calculation Table

a	Risk weighted Exposure for credit risk	8,026,511,208.09
b	Risk weighted Exposure for Operational Risk	290,412,489.60
c	Risk weighted Exposure for Market Risk	6,052,934.19
d	Capital charge for shortfall of liquid assets	-
e	Total Risk weighted exposure	8,322,976,631.88
f	Total capital fund(tier I& tier II)	1,175,099,705.58
	Capital Adequacy Ratios(f ÷ e)	14.119%

Amount of non performing Assets(Both Gross and Net)

Restructured/Rescheduled loan

NIL

Substandard Loan

NIL

Doubtful Loan

NIL

Loss Loan

NIL

Ratio of Non Performing Assets

Gross NPA to Gross Advances

Not Applicable

Net NPA to Net Advances

Not Applicable

Movement of Non performing Assets

Non performing assets upto previous quarter was NPR 860,717.18 which has been reduced to Nil 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 Poush end 2065 was NPR 65,846,991.2 and NPR 8,519,788.62 respectively which has been increased to NPR 70,466,780.05 and NPR 8,557,744.74 respectively.

Detail of Additional Loan loss Provisions

NIL

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

All investment portfolios are held to maturity category

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

Existing paid up capital of the bank is NPR 1,000,000,000 after issuing share of NPR 300,000,000 to the public through initial public offering of share.similarly as per directive of Nepal Rastra Bank, bank has plan to increase its paid up capital of NPR 2,000,000,000 by the end of Fiscal Year 2066/67

Summary of the terms, conditions and main features of all capital instruments, especially in case of

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

FORM NO.1 CAPITAL ADEQUACY TABLE

1.1 RISK WEIGHTED EXPOSURES		As at Chaitra End 2065
a	Risk Weighted Exposure for Credit Risk	8,026,511,208.09
b	Risk Weighted Exposure for Operational Risk	290,412,489.60
c	Risk Weighted Exposure for Market Risk	6,052,934.19
Total Risk Weighted Exposures (a+b+c)		8,322,976,631.88
1.2 CAPITAL		Current Period
Core Capital (Tier 1)		1,104,417,890.90
a	Paid up Equity Share Capital	1,000,000,000.00
b.	Irredeemable Non-cumulative preference shares	-
c.	Share Premium	-
d.	Proposed Bonus Equity Shares	-
e.	Statutory General Reserves	10,968,249.10
f.	Retained Earnings	28,237,924.02
g.	Un-audited current year cumulative profit	65,211,717.78
h.	Capital Redemption Reserve	-
i.	Capital Adjustment Reserve	-
j	Dividend Equalization Reserves	-
k	Other Free Reserve	-
l	Less: Goodwill	-
m.	Less: Miscellaneous Expenditure not written off	-
n.	Less: Investment in equity in licensed Financial Institutions	-
o.	Less: Investment in equity in institutions with financial interests	-
p.	Less: Investment in equity of institutions in excess of limits	-
q.	Less Investments arising out of underwriting commitments	-
r.	Less: Reciprocal crossholdings	-
s.	Less: Other deductions	-
Supplementary Capital (Tier 2)		70,681,814.68
a	Cumulative and/or Redeemable Preference Share	-
b	Subordinated Term Debt	-
c	Hybrid Capital Instruments	-
d	General Loan Loss Provision	70,466,780.05
e	Exchange Equalization Reserve	215,034.63
f.	Investment Adjustment Reserve	-
g.	Assets Revaluation Reserve	-
h	Other Reserves	-
Total Capital Fund (Tier I & II)		1,175,099,705.58
1.3 CAPITAL ADEQUACY RATIOS		Current Period
Tier 1 Capital to Total Risk Weighted Exposures		13.27%
Tier 1 & Tier 2 Capital to Total Risk Weighted Exposures		14.119%

FORM NO: 2 RISK WEIGHTED EXPOSURE FOR CREDIT RISK

As at Chaitra End 2065

A. Balance Sheet Exposures	Book Value a	Specific Provision b	Eligible CRM c	Net Value d=a-b-c	Risk Weight e	Risk Weighted Exposures f=d*e
Cash Balance	259,337,387.64	-	-	259,337,387.64	0%	-
Balance with Nepal Rastra Bank	557,184,363.10	-	-	557,184,363.10	0%	-
Gold		-	-			
Investment in Nepalese Government Securities	261,231,890.00	-	-	261,231,890.00	0%	-
All Claims on Government of Nepal	5,450,905.00	-	-	5,450,905.00	0%	-
Investment in Nepal Rastra Bank	-	-	-	-	0%	-
All Claims on Nepal Rastra Bank	-	-	-	-	0%	-
Investment in Foreign Government Securites (ECA Rating 0-1)	-	-	-	-	0%	-
Investment in Foreign Government Securites (ECA Rating-2)	-	-	-	-	20%	-
Investment in Foreign Government Securites (ECA Rating -3)	-	-	-	-	50%	-
Investment in Foreign Government Securites (ECA Rating 4-6)	-	-	-	-	100%	-
Investment in Foreign Government Securites (ECA Rating 7)	-	-	-	-	150%	-
Claims on BIS, IMF, ECB, EC and Multilateral Development Banks (MDB's) recognized by the framework	-	-	-	-	0%	-
Claims on Other Multilateral Development Banks	-	-	-	-	100%	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	20%	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	50%	-
Claims on Public Sector Entity (ECA 3-6)	-	-	-	-	100%	-
Claims on Public Sector Entity (ECA 7)	17,938,610.15	-	-	17,938,610.15	150%	26,907,915.23
Claims on domestic banks that meet capital adequacy requirements	2,450,559,764.55	-	-	2,450,559,764.55	20%	490,111,952.91
Claims on domestic banks that do not meet capital adequacy requirements		-	-	-	100%	-
Claims on foreign bank (ECA Rating 0-1)	496,673,191.27	-	-	496,673,191.27	20%	99,334,638.25
Claims on foreign bank (ECA Rating 2)		-	-	-	50%	-
Claims on foreign bank (ECA Rating 3-6)	2,303,379.18	-	-	2,303,379.18	100%	2,303,379.18
Claims on foreign bank (ECA Rating 7)		-	-	-	150%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	20%	-
Claims on Domestic Corporates	3,264,456,163.41	-	150,677,483.82	3,113,778,679.59	100%	3,113,778,679.59
Claims on Foreign Corporates (ECA Rating 0-1)	-	-	-	-	20%	-
Claims on Foreign Corporates (ECA Rating 2)	-	-	-	-	50%	-
Claims on Foreign Corporates (ECA Rating 3-6)	-	-	-	-	100%	-
Claims on Foreign Corporates (ECA Rating 7)	-	-	-	-	150%	-
Regulatory Retail Portfolio (Not Overdue)	798,554,303.42	-	-	798,554,303.42	75%	598,915,727.57
Claims fulfilling all criterion of regulatory retail except granularity	-	-	-	-	100%	-
Claims secured by residential properties	393,073,605.49	-	-	393,073,605.49	60%	235,844,163.29
Claims not fully secured by residential properties	-	-	-	-	150%	-
Claims secured by residential properties (Overdue)	-	-	-	-	100%	-
Claims secured by commercial real estate	1,808,260,802.99	-	-	1,808,260,802.99	100%	1,808,260,802.99
Past due claims (except for claim secured by residential properties)	-	-	-	-	150%	-

high Risk Claims (Venture Capital, private equity investments, personal loans and credit card receivables)	765,161,051.58	-	90,935,130.96	674,225,920.62	150%	1,011,338,880.93
investments in equity and other capital instruments of institutions listed in the stock exchange	-	-	-	-	100%	-
investments in equity and other capital instruments of institutions not listed in the stock exchange	-	-	-	-	150%	-
Other Loans and Advances	-	-	-	-	150%	-
Cash and cash items in transit	-	-	-	-	20%	-
Fictitious Assests	-	-	-	-	150%	-
Other Assets (as per attachment)	223,717,126.57	-	-	223,717,126.57	100%	223,717,126.57
TOTAL	11,303,902,544.35	-	241,612,614.79	11,062,289,929.57		7,610,513,266.50

B. Off Balance Sheet Exposures	Gross Book Value a	Specific Provision b	Eligible CRM c	Net Value d=a-b-c	Risk Weight e	Risk Weighted Exposures f=d*e
Revocable Commitments	-	-	-	-	0%	-
Bills Under Collection	10,049,702.60	-	-	10,049,702.60	0%	-
Forward Exchange Contract Liabilities	-	-	-	-	10%	-
LC Commitments With Original Maturity Up to 6 months (domestic counterparty)	331,925,743.42	-	32,800,534.40	299,125,209.02	20%	59,825,041.80
Foreign Counterparty (ECA Rating 0-1)	-	-	-	-	20%	-
Foreign Counterparty (ECA Rating 2)	-	-	-	-	50%	-
Foreign Counterparty(ECA Rating 3-6)	-	-	-	-	100%	-
Foreign Counterparty(ECA Rating 7)	-	-	-	-	150%	-
LC Commitments With Original Maturity Over 6 months (domestic counterparty)	122,384,350.00	-	-	122,384,350.00	50%	61,192,175.00
Foreign Counterparty (ECA Rating 0-1)	-	-	-	-	20%	-
Foreign Counterparty (ECA Rating 2)	-	-	-	-	50%	-
Foreign Counterparty(ECA Rating 3-6)	-	-	-	-	100%	-
Foreign Counterparty(ECA Rating 7)	-	-	-	-	150%	-
Bid Bond, Performance Bond and Counter Guarantee (domestic counterparty)	134,967,763.56	-	6,942,670.01	128,025,093.55	50%	64,012,546.78
Foreign Counterparty (ECA Rating 0-1)	-	-	-	-	20%	-
Foreign Counterparty (ECA Rating 2)	-	-	-	-	50%	-
Foreign Counterparty(ECA Rating 3-6)	-	-	-	-	100%	-
Foreign Counterparty(ECA Rating 7)	-	-	-	-	150%	-
Underwriting commitments	-	-	-	-	50%	-
Lending of Bank's Securities or Posting of Securities as collateral	-	-	-	-	100%	-
Repurchase Agreements, Assets sale with recourse (including repo/reverse repo)	-	-	-	-	100%	-
Advance Payment Guarantee	64,540,426.00	-	-	64,540,426.00	100%	64,540,426.00
Financial Guarantee	-	-	-	-	100%	-
Acceptances and Endorsements	22,468,456.09	-	-	22,468,456.09	100%	22,468,456.09
Unpaid portion of Partly paid shares and securities	-	-	-	-	100%	-
Irrevocable Credit commitments (Short term)	719,796,479.58	-	-	719,796,479.58	20%	143,959,295.92
Irrevocable Credit commitments (Long term)	-	-	-	-	50%	-
Other Contingent Liabilities	-	-	-	-	100%	-
TOTAL	1,406,132,921.25	-	39,743,204.41	1,366,389,716.84		415,997,941.59
Total RWE for Credit Risk (A) + (B)	12,710,035,465.60	-	281,355,819.20	12,428,679,646.41		8,026,511,208.09

FORM NO.4 OTHER ASSETS

As at Chaitra End 2065

S.N	Assets	Gross Amount	Specific Provision	Net Balance
1	Cash and Cash Item in Transit	25,647,336.00	20,517,868.80	5,129,467.20
2	Miscellaneous Expenditure not written off	2,876,998.33	-	2,876,998.33
3	Fixed Assets	164,730,227.45	37,690,744.97	127,039,482.48
4	Interest Receivable on Other Investment	-	-	-
5	Interest Receivable on Loan	8,454,744.74	8,454,744.74	-
6	Non Banking Assets	-	-	-
7	Reconciliation Account	-	-	-
8	Draft Paid Without Notice	-	-	-
9	sundry Debtors	4,488,898.52	-	4,488,898.52
10	Advance Payment and Deposits	4,410,520.86	-	4,410,520.86
11	Staff Advance	30,554,365.39	-	30,554,365.39
12	Stationery	8,536,212.51	-	8,536,212.51
13	Other	40,681,181.28	-	40,681,181.28
	A/C Receivables	1,751,528.10	-	-
	ATM Cards	1,289,063.25	-	-
	Security Deposit	426,200.00	-	-
	Adv. Income tax	28,445,408.36	-	-
	SCT Receivables	8,768,981.57	-	-
		-	-	-
		-	-	-
	TOTAL	290,380,485.08	66,663,358.51	223,717,126.57

FORM NO. 5 RISK WEIGHTED EXPOSURE FOR OPERATIONAL RISK

Particulars	Year 1	Year 2	Year 3
Net Interest Income	144,814,408.77	-	-
Commission and Discount Income	9,028,451.80	-	-
Other Operating Income	24,536,362.04	-	-
Exchange Fluctuation Income	8,899,953.12	-	-
Additional Interest Suspense during the period	6,329,150.67	-	-
Gross Income (a)	193,608,326.40	-	-
Alfa(b)	0.15	15%	15%
Fixed Percentage of Gross Income {c=(axb)}	29,041,248.96	-	-
Capital Requirement for operational risk (d) (average of c)	29,041,248.96	-	-
Risk Weight (reciprocal of capital requirements of 10%) in times	10.00	-	-
Equivalent Risk Weight Exposure {f=(dxe)}	290,412,489.60	-	-

FORM NO. 6 RISK WEIGHTED EXPOSURE FOR MARKET RISK

As at Chaitra End 2065

S.N	Currency	Open Position (Fcy)	Open Position (NPR)	Relevant Open Position
1	INR	36,053.58	2,875,273.18	2,875,273.18
2	USD	-	-	-
3	AUD	3,938.32	461,846.94	461,846.94
4	GBP	200.00	13,008.00	13,008.00
5	CAD	2,250.00	155,711.25	155,711.25
6	CHF	470.00	24,670.30	24,670.30
7	SGD	72,000.00	57,348.00	57,348.00
8	JPY	-	-	-
9	HKD	-	-	-
10	DKK	6,612.00	135,479.88	135,479.88
11	SAR	-	-	-
12	QAR	14,117.08	1,483,917.01	1,483,917.01
13	EURO	4,445,254.49	12,105,868.38	12,105,868.38
Fixed Percentage (b)				5%
Capital Charge for Market Risk {c=(axb)}				605,293.42
Risk Weight (reciprocal of capital requirement of 10%) in times (d)				10.00
Equivalent Risk Weight Exposure {e=(cxd)}				6,052,934.19