

DISCLOSURE UNDER BASEL II

At The End Of Poush end 2068 (2nd Quarter End of Fiscal Year 2068/69)

1. CAPITAL STRUCTURE & CAPITAL ADEQUACY

(Amount in Lacs)

i. Core Capital (Tier I)

	Particulars	Amount	Amount
A	Paid UP Equity Share Capital		21,029.66
B	Statutory General Reserve		4,757.81
C	Share Premium		496.60
D	Retained Earnings		28.52
E	Unaudited Current Year Cumulative Profit		2,047.01
F	Capital Adjustment Reserve		300.00
G	Deferred Tax Reserve		396.84
H	Other Free Reserve (Debenture Redemption Reserve)		1,428.57
I	Less:		(96.91)
	a) Fictitious Assets	-	
	b) Investment arising out of underwriting commitment	(96.91)	
	Total Core Capital (Tier I)		30,388.10

ii. Supplementary Capital (Tier II)

	Particulars	Amount
A	Subordinate Term Debt	400.00
B	General Loan Loss Provision	2283.79
C	Investment Adjustment Reserve	252.14
D	Exchange Equalization Reserve	102.79
	Total Supplementary Capital (Tier II)	3038.72

iii. Capital Fund (Tier I + Tier II)

Particulars	Amount
Total Core Capital (Tier I)	30,388.10
Total Supplementary Capital (Tier II)	3,038.72
Total Capital Fund (Tier I + Tier II)	33,426.82

iv. Information about Subordinate Term Debt

6% Nepal SBI Debentures 2070 of Rs. 1,000/- each issued on 16.07.2006 and maturing o 15.07.2013	
- Outstanding Amount	2,000.00
- Fixed Maturity Period of 7 Years from 16.07.2006	
- Interest Payment - Half Yearly	
- At the time of liquidation, right of claims will be only after depositors	
- Redeemable and Non-Convertible	
- Outstanding Balance of Redemption Reserve	1428.57
- Amount raised during the year	NIL
- Amount Eligible to be reckoned as Capital Fund	400.00

v. Deduction Form Capital

	Particulars	Amount
A	Fictitious Assets	0.00
B	Investment arising out of underwriting commitments	(96.91)
	Total Deduction	(96.91)

vi. TOTAL QUALIFYING CAPITAL

Total Qualifying Capital	33,426.82
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vii. Capital Adequacy Ratio

Capital Adequacy Ratio	10.10%
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2. RISK EXPOSURE

i. Risk Weighted Exposure for Credit Risk, Market Risk and Operational Risk

	Particulars	Amount
A	Risk Weighted Exposure for Credit Risk	293,390.86
B	Risk Weighted Exposure for Operational Risk	14,898.41
C	Risk Weighted Exposure for Market Risk	16,083.62
	Add: 2% of the total RWE as Supervisor is not satisfied with the overall risk	
D	Management Policies and Procedures (6.4 a 9)	6,487.46
	Total Risk Weighter Exposure (A+B+C)	330,860.35

ii. Risk Weighted Exposure under each 11 Categories of Credit Risk

S.No.	Categories	Amount
1	Claims on Government and Central Bank	
2	Claims on Other Official Entities	1,562.54
3	Claims on Banks	43,573.11
4	Claims on Corporate and Securities Entities	129,880.37
5	Claims on Regulatory Retail Portfolio	27,413.44
6	Claims Secured by Residential Properties	15,936.79
7	Claims Secured by Commercial Real Estate	3,595.90
8	Past Due Claims	2,680.53
9	High Risk Claims	20,126.37
10	Other Assets	15,242.36
11	Off Balance Sheet Items	33,379.47
	Total	293,390.86

iii. Amount of Non Performing Assets (Gross and Net Amount)

	Particulars	Gross Amount	Provision	Net Amount
A	Restructured	1,567.82	496.73	1,071.09
B	Sub-standard	182.51	43.92	138.59
C	Doubtful	141.39	67.84	73.55
D	Loss	846.69	816.51	30.18
	Total	2,738.42	1,425.00	1,313.42

iv. Non Performing Assets (NPA) Ratios

NPA Ratios	Percentage (%)
- Gross NPA to Gross Advances	1.18%
- Net NPA to Net Advances	0.58%

v. Movement of Non Performing Assets

S.No.	Particulars	Opening Balance (Ashad End, 2068)	Closing Balance (Poush End, 2068)	Movement
	Non Performing Loan			
1	Restructured Loan	1399.45	1567.82	168.37
2	Sub-Standard	23.96	182.51	158.55
3	Doubtful	18.00	141.39	123.39
4	Loss	951.59	846.69	(104.90)

vi. Write Off Of Loans and Interest Suspense:

During the financial year the bank has not written off any loan (principal).

During the financial year the bank has Rs 1572.08 lacs as Interest Suspense

vii. Movement Of Loan Loss Provison and Interest Suspense**Loan Loss Provision**

S.No.	Particulars	Opening Balance (Ashad End, 2068)	Closing Balance (Poush End, 2068)	Movement
1	Pass	2,101.62	2,283.79	182.17
2	Restructure	478.51	496.73	18.21
3	Sub-Standard	69.08	43.92	(25.16)
4	Doubtful	10.05	67.84	57.80
5	Loss	947.08	816.51	(130.57)
Total Loan Loss Provision		3,606.34	3,708.78	102.44

Interest Suspense

S.No.	Particulars	Opening Balance (Ashad End, 2068)	Closing Balance (Poush End, 2068)	Movement
	Interest Suspense	1,326.21	1,572.08	245.87

viii. Details of Additional Loan Loss Provision

S.No.	Particulars	Ashad End 2068
1	Pass	182.17
2	Restructure	18.21
3	Sub-Standard	(25.16)
4	Doubtful	57.80
5	Loss	(130.57)
Total		102.44

ix. Segregation of the Bank's Investment portfolio

All the investments are classified as held to maturity category.