

DISCLOSURE UNDER BASEL II

At The End OF ASHOJ End 2068 (1ST 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 | | 18,693.03 |
| B | Statutory General Reserve | | 3,828.68 |
| C | Share Premium | | 496.60 |
| D | Retained Earnings | | 4,688.14 |
| E | Unaudited Current Year Cumulative Profit | | 959.85 |
| F | Capital Adjustment Reserve | | 500.00 |
| G | Deferred Tax Reserve | | 269.85 |
| H | Other Free Reserve (Debenture Redemption Reserve) | | 1,142.86 |
| I | Less: | | (96.91) |
| | a) Fictitious Assets | - | |
| | b) Investment arising out of underwriting commitment | (96.91) | |
| | Total Core Capital (Tier I) | | 30,482.10 |

ii. Supplementary Capital (Tier II)

| | Particulars | Amount |
|---|--|----------------|
| A | Subordinate Term Debt | 400.00 |
| B | General Loan Loss Provision | 2106.62 |
| C | Investment Adjustment Reserve | 6.42 |
| D | Exchange Equalization Reserve | 102.00 |
| | Total Supplementary Capital (Tier II) | 2615.04 |

iii. Capital Fund (Tier I + Tier II)

| Particulars | Amount |
|--|------------------|
| Total Core Capital (Tier I) | 30,482.10 |
| Total Supplementary Capital (Tier II) | 2,615.04 |
| Total Capital Fund (Tier I + Tier II) | 33,097.14 |

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 | 1142.86 |
| - Amount raised during the year | NIL |
| - Amount Eligible to be reckoned as Capital Fund | 800.00 |

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 | 33,097.14 |
|--|---------------------------------|------------------|

vii. Capital Adequacy Ratio

| | | |
|--|-------------------------------|---------------|
| | Capital Adequacy Ratio | 11.29% |
|--|-------------------------------|---------------|

2. RISK EXPOSURE

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

| | Particulars | Amount |
|---|---|-------------------|
| A | Risk Weighted Exposure for Credit Risk | 264,472.85 |
| B | Risk Weighted Exposure for Operational Risk | 14,898.41 |
| C | Risk Weighted Exposure for Market Risk | 10,862.14 |
| | Add: 1% of the total RWE as Supervisor is not satisfied with the overall risk | |
| D | Management Policies and Procedures (6.4 a 9) | 2,902.33 |
| | Total Risk Weighter Exposure (A+B+C) | 293,135.73 |

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

| S.No. | Categories | Amount |
|-------|---|-------------------|
| 1 | Claims on Government and Central Bank | 1,593.16 |
| 2 | Claims on Other Official Entities | - |
| 3 | Claims on Banks | 38,362.10 |
| 4 | Claims on Corporate and Securities Entities | 117,721.23 |
| 5 | Claims on Regulatory Retail Portfolio | 30,263.25 |
| 6 | Claims Secured by Residential Properties | 16,268.04 |
| 7 | Claims Secured by Commercial Real Estate | 3,620.90 |
| 8 | Past Due Claims | 2,312.84 |
| 9 | High Risk Claims | 10,234.12 |
| 10 | Other Assets | 13,727.11 |
| 11 | Off Balance Sheet Items | 30,370.10 |
| | Total | 264,472.85 |

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

| | Particulars | Gross Amount | Provision | Net Amount |
|---|--------------|-----------------|-----------------|-----------------|
| A | Restructured | 1,386.19 | 458.57 | 927.62 |
| B | Sub-standard | 1,032.45 | 255.49 | 776.96 |
| C | Doubtful | 13.32 | 4.37 | 8.96 |
| D | Loss | 981.50 | 948.59 | 32.91 |
| | Total | 3,413.46 | 1,667.01 | 1,746.45 |

iv. Non Performing Assets (NPA) Ratios

| NPA Ratios | Percentage (%) |
|-------------------------------|----------------|
| - Gross NPA to Gross Advances | 1.59% |
| - Net NPA to Net Advances | 0.83% |

v. Movement of Non Performing Assets

| S.No. | Particulars | Closing Balance (Ashad End, 2068) | Closing Balance (Ashoj End, 2068) | Movement |
|-------|----------------------------|--------------------------------------|--------------------------------------|----------|
| | Non Performing Loan | | | |
| 1 | Restructured Loan | 1399.45 | 1386.19 | (13.26) |
| 2 | Sub-Standard | 23.96 | 1032.45 | 1,008.49 |
| 3 | Doubtful | 18.00 | 13.32 | (4.68) |
| 4 | Loss | 951.59 | 981.50 | 29.91 |

vi. Write Off Of Loans and Interest Suspense:

During the financial year 2068/69 of 1st quarter period bank has written off Rs Nil loan (principal) and Rs. 163,155,295.7 interest suspense as per NRB Directive.

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

| S.No. | Particulars | Closing Balance (Ashad End, 2068) | Closing Balance (Ashoj End, 2068) | Movement |
|----------------------------------|--------------|--------------------------------------|--------------------------------------|---------------|
| 1 | Pass | 2,137.93 | 2,106.62 | (31.32) |
| 2 | Restructure | 464.11 | 458.57 | (5.55) |
| 3 | Sub-Standard | 5.19 | 255.49 | 250.30 |
| 4 | Doubtful | 4.96 | 4.37 | (0.58) |
| 5 | Loss | 918.00 | 948.59 | 30.59 |
| Total Loan Loss Provision | | 3,530.20 | 3,773.63 | 243.44 |

Interest Suspense

| S.No. | Particulars | Closing Balance (Ashad End, 2068) | Closing Balance (Ashoj End, 2068) | Movement |
|-------|-------------------|--------------------------------------|--------------------------------------|----------|
| | Interest Suspense | 1,404.11 | 1,631.55 | 227.44 |

viii. Details of Additional Loan Loss Provision

| S.No. | Particulars | Ashad End 2068 |
|--------------|--------------|----------------|
| 1 | Pass | (31.32) |
| 2 | Restructure | (5.55) |
| 3 | Sub-Standard | 250.30 |
| 4 | Doubtful | (0.58) |
| 5 | Loss | 30.59 |
| Total | | 243.44 |

ix. Segregation of the Bank's Investment portfolio

All the investments are classified as held to maturity category.