

DISCLOSURE UNDER BASEL II at the end of Poush 2065

1. CAPITAL STRUCTURE & CAPITAL ADEQUACY

i. Core Capital (Tier I) (in lacs)

A. Paid up Equity Share Capital	8,745.28
B. Proposed Bonus Equity Shares	-
B. Statutory General Reserves	2,412.45
C. Retained Earnings	15.29
D. Unaudited Current Year Cumulative Profit	1,552.74
E. Capital Adjustment Reserve	2,300.00
F. Other Free Reserve	571.43
G. Less: Fictitious Assets	(6.90)
H. Less: Investments arising out of underwriting commitments	(96.91)
Total Core Capital (Tier I)	15,493.38

ii. Supplementary Capital (Tier II) (in lacs)

A. Subordinated Term Debt	1,600.00
B. General loan loss provision	1,267.05
C. Exchange Equalization Reserve	102.00
Total Supplementary Capital (Tier II)	2,969.05

iii. Capital Fund (Tier I + Tier II) (in lacs)

Total Core Capital (Tier I)	15,493.38
Total Supplementary Capital (Tier II)	2,969.05
Total Capital Fund (Tier I + Tier II)	18,462.43

iv. Information about Subordinate Term Debt (in lacs)

6% Nepal SBI Debentures 2070 of Rs. 1,000/- each issued on 16.07.2006 and maturing on 15.07.2013	
Outstanding Amount	2,000.00
· Fixed Maturity Period of 7 years from 16.7.2006	
· 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	571.43
Amount Raised during the year	Nil
Amount eligible to be reckoned as capital fund	1,600.00

v. Deductions from Capital (in lacs)

A. Fictitious Assets	6.90
B. Investments arising out of underwriting commitments	96.91
Total	103.81

v. Total Qualifying Capital (in lacs) **18,462.43**

vi. Capital Adequacy Ratio **12.71%**

2. RISK EXPOSURES

i. Risk Weighted Exposures (in lacs)

A. Risk Weighted Exposure for Credit Risk	135,871.75
B. Risk Weighted Exposure for Operational Risk	8,673.71
C. Risk Weighted Exposure for Market Risk	701.00
Total Risk Weighted Exposures (a+b+c)	145,246.46

ii. Risk Weighted Exposures under each 11 categories of Credit Risk (in lacs)

Particulars	
a. Claims on Government & Central Bank	

b. Claims on other Official entities	1,681.22
c. Claims on banks	3,139.39
d. Claims on corporate & securities firms	79,204.55
e. Claims on regulatory retail portfolio	11,198.95
f. Claims secured by residential properties	12,221.08
g. Claims secured by commercial real estate	915.32
h. Past due claims	556.84
i. High risk claims	10,796.54
j. Other Assets	4,222.71
k. Off Balance Sheet Items	11,935.14
Total	135,871.75

iii. Amount of NPAs

(in lacs)

Category	Gross	Provision	Net
Restructured	2,327.11	411.20	1,915.91
Substandard	60.49	10.48	50.01
Doubtful	95.64	42.42	53.22
Loss	3,424.55	3,365.95	58.60
Total	5,907.79	3,830.04	2,077.75

iv. NPA Ratios

· Gross NPA to Gross Advances :	2.67%
· Net NPA to Net Advances :	0.12

v. Movement of Non Performing Assets

Particulars	Opening Balance	Closing Balance	Movement
Non Performing Loan	4,984.79	3,580.68	1,404.11
1. Substandard	177.46	60.49	116.97
2. Doubtful	194.28	95.64	98.64

3. Loss	4,613.05	3,424.55	1,188.50
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vi. Write Off of Loans and Interest Suspense :

During the quarter, the bank has written off Rs. 111,7.43 lacs principal and Rs 195,7.94 lacs interest suspense as per NRB Directive on Loan (Book) Write Off.

vii. Movement of Loan Loss Provision and Interest Suspense

Loan Loss Provision

Particulars	Opening Balance	Closing Balance	Movement
1. Pass	1,277.88	1,267.05	(10.83)
2. Restructured	416.15	411.20	(4.96)
3. Substandard	36.02	10.48	(25.54)
4. Doubtful	91.75	42.42	(49.33)
5. Loss	4,541.52	3,365.95	(1,175.57)
Total Loan Loss Provision	6,363.32	5,097.09	(1,266.23)

Interest Suspense

Particulars	Opening Balance	Closing Balance	Movement
Interest Suspense	5,457.02	3,636.33	(1,820.69)

viii. Details of Additional Loan Loss Provision

Particulars	Opening Balance	Closing Balance	Movement
Total Loan Loss Provision	6,363.32	5,097.09	(1,266.23)