

# DISCLOSURE UNDER BASEL II

At The End OF Ashad End 2070 (4th Quarter End of Fiscal Year 2069/70)

## 1. CAPITAL STRUCTURE & CAPITAL ADEQUACY

(Amount in Lacs)

### i. Core Capital (Tier I)

| SN | Particulars                                           | Amount | Amount           |
|----|-------------------------------------------------------|--------|------------------|
| A  | Paid UP Equity Share Capital                          |        | 23,557.39        |
| B  | Statutory General Reserve                             |        | 5,718.02         |
| C  | Share Premium                                         |        | -                |
| D  | Retained Earnings                                     |        | 22.03            |
| E  | Unaudited Current Year Cumulative Profit              |        | 7,759.90         |
| F  | Capital Adjustment Reserve                            |        | 50.00            |
| G  | Deferred Tax Reserve                                  |        | 629.17           |
| H  | Other Free Reserve (Debenture Redemption Reserve)     |        | 1,882.05         |
| I  | <b>Less:</b>                                          |        | <b>7.48</b>      |
|    | a) Fictitious Assets                                  | -      |                  |
|    | b) Investment arising out of underwriting commitments | 7.48   |                  |
|    | <b>Total Core Capital (Tier I)</b>                    |        | <b>39,611.08</b> |

### ii. Supplementary Capital (Tier II)

| SN | Particulars                                  | Amount          |
|----|----------------------------------------------|-----------------|
| A  | Subordinate Term Debt                        | 8000.00         |
| B  | General Loan Loss Provision                  | 2990.07         |
| C  | Investment Adjustment Reserve                | 5.15            |
| D  | Exchange Equalization Reserve                | 110.78          |
|    | <b>Total Supplementary Capital (Tier II)</b> | <b>11106.00</b> |

### iii. Capital Fund (Tier I + Tier II)

| Particulars                                  | Amount           |
|----------------------------------------------|------------------|
| Total Core Capital (Tier I)                  | 39,611.08        |
| Total Supplementary Capital (Tier II)        | 11,106.00        |
| <b>Total Capital Fund (Tier I + Tier II)</b> | <b>50,717.08</b> |

### iv. Information about Subordinate Term Debt

|                                                                                                                                                                                                                                                                                           |               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 1. 12.5% Nepal SBI Bank Debentures 2078 of Rs.1,000 each (Unsecured) issued on 12.02.2012 and maturing on 11.02.2022 of Rs. 4,000.00 lacs; and<br>2. 8% Nepal SBI Bank Debentures 2079 of Rs.1,000 each (Unsecured) issued on 03.02.2013 and maturing on 03.02.2023 of Rs. 4,000.00 lacs. | <b>Amount</b> |
| - Outstanding Amount                                                                                                                                                                                                                                                                      | 8,000.00      |
| - Fixed Maturity Period of 10 Years from issue date                                                                                                                                                                                                                                       |               |
| - 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                                                                                                                                                                                                                                               | 1882.05       |
| - Amount raised during the year                                                                                                                                                                                                                                                           | 4000.00       |
| - Amount released during the year due to maturity                                                                                                                                                                                                                                         | 2000.00       |
| - Amount Eligible to be reckoned as Capital Fund                                                                                                                                                                                                                                          | 8000.00       |

### v. Deduction Form Capital

| SN | Particulars                                        | Amount      |
|----|----------------------------------------------------|-------------|
| A  | Fictitious Assets                                  | 0.00        |
| B  | Investment arising out of underwriting commitments | 7.48        |
|    | <b>Total Deduction</b>                             | <b>7.48</b> |

### vi. TOTAL QUALIFYING CAPITAL

|                                 |                  |
|---------------------------------|------------------|
| <b>Total Qualifying Capital</b> | <b>50,717.08</b> |
|---------------------------------|------------------|

**vii. Capital Adequacy Ratio**

|                        |        |
|------------------------|--------|
| Capital Adequacy Ratio | 12.86% |
|------------------------|--------|

**2. RISK EXPOSURE****i. Risk Weighted Exposure for Credit Risk, Market Risk and Operational Risk**

| SN | Particulars                                                                                                                | Amount            |
|----|----------------------------------------------------------------------------------------------------------------------------|-------------------|
| A  | Risk Weighted Exposure for Credit Risk                                                                                     | 362,845.44        |
| B  | Risk Weighted Exposure for Operational Risk                                                                                | 19,019.71         |
| C  | Risk Weighted Exposure for Market Risk                                                                                     | 4,841.75          |
| D  | Add: 2% of the total RWE as Supervisor is not satisfied with the overall risk Management Policies and Procedures (6.4 a 9) | 7,734.14          |
|    | <b>Total Risk Weighter Exposure (A+B+C)</b>                                                                                | <b>394,441.04</b> |

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

| S.No. | Categories                                  | Amount            |
|-------|---------------------------------------------|-------------------|
| 1     | Claims on Government and Central Bank       | 0.00              |
| 2     | Claims on Other Official Entities           | 1,476.09          |
| 3     | Claims on Banks                             | 50,035.14         |
| 4     | Claims on Corporate and Securities Entities | 176,164.05        |
| 5     | Claims on Regulatory Retail Portfolio       | 45,612.33         |
| 6     | Claims Secured by Residential Properties    | 11,785.69         |
| 7     | Claims Secured by Commercial Real Estate    | 1,200.00          |
| 8     | Past Due Claims                             | 307.55            |
| 9     | High Risk Claims                            | 17,255.91         |
| 10    | Other Assets                                | 22,316.41         |
| 11    | Off Balance Sheet Items                     | 36,692.27         |
|       | <b>Total</b>                                | <b>362,845.44</b> |

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

| SN | Particulars  | Gross Amount    | Provision       | Net Amount   |
|----|--------------|-----------------|-----------------|--------------|
| A  | Restructured | 276.31          | 276.31          | -            |
| B  | Sub-standard | -               | 0.00            | -            |
| C  | Doubtful     | -               | 0.00            | -            |
| D  | Loss         | 810.61          | 791.19          | 19.42        |
|    | <b>Total</b> | <b>1,086.92</b> | <b>1,067.50</b> | <b>19.42</b> |

**iv. Non Performing Assets (NPA) Ratios**

| NPA Ratios                    | Percentage (%) |
|-------------------------------|----------------|
| - Gross NPA to Gross Advances | 0.37%          |
| - Net NPA to Net Advances     | 0.01%          |

**v. Movement of Non Performing Assets**

| S.No. | Particulars                | Opening Balance (Ashad End, 2069) | Closing Balance (Ashad End, 2070) | Movement |
|-------|----------------------------|-----------------------------------|-----------------------------------|----------|
|       | <b>Non Performing Loan</b> |                                   |                                   |          |
| 1     | Restructured Loan          | 1064.04                           | 276.31                            | (787.73) |
| 2     | Sub-Standard               | 45.84                             | 0.00                              | (45.84)  |
| 3     | Doubtful                   | 28.47                             | 0.00                              | (28.47)  |
| 4     | Loss                       | 300.13                            | 810.61                            | 510.48   |

**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 713.43 lacs as Interest Suspense

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

| S.No.                            | Particulars  | Opening Balance<br>(Ashad End, 2069) | Closing Balance<br>(Ashad End, 2070) | Movement      |
|----------------------------------|--------------|--------------------------------------|--------------------------------------|---------------|
| 1                                | Pass         | 2,624.33                             | 2,904.29                             | 279.96        |
| 2                                | Restructure  | 299.04                               | 276.31                               | (22.74)       |
| 3                                | Sub-Standard | 11.46                                | -                                    | (11.46)       |
| 4                                | Doubtful     | 12.28                                | -                                    | (12.27)       |
| 5                                | Loss         | 268.67                               | 791.19                               | 522.52        |
| <b>Total Loan Loss Provision</b> |              | <b>3,215.78</b>                      | <b>3,971.79</b>                      | <b>756.01</b> |

**Interest Suspense**

| S.No. | Particulars       | Opening Balance<br>(Ashad End, 2069) | Closing Balance<br>(Ashad End, 2070) | Movement |
|-------|-------------------|--------------------------------------|--------------------------------------|----------|
|       | Interest Suspense | 1,326.21                             | 713.43                               | -612.78  |

**viii. Details of Additional Loan Loss Provision**

| S.No.        | Particulars  | Ashad End 2070  |
|--------------|--------------|-----------------|
| 1            | Pass         | 257.13          |
| 2            | Restructure  | 240.75          |
| 3            | Sub-Standard | 67.50           |
| 4            | Doubtful     | -               |
| 5            | Loss         | 693.79          |
| <b>Total</b> |              | <b>1,259.17</b> |