

DISCLOSURE UNDER BASEL II

At The End OF Ashwin End 2069 (1st Quarter End of Fiscal Year 2069/70)

1. CAPITAL STRUCTURE & CAPITAL ADEQUACY

(Amount in Lacs)

i. Core Capital (Tier I)

| | Particulars | Amount | Amount |
|---|--|---------------|------------------|
| A | Paid UP Equity Share Capital | | 20,939.90 |
| B | Statutory General Reserve | | 5,718.02 |
| C | Share Premium | | 0.00 |
| D | Retained Earnings | | 3,686.51 |
| E | Unaudited Current Year Cumulative Profit | | 1,621.31 |
| F | Capital Adjustment Reserve | | 50.00 |
| G | Deferred Tax Reserve | | 629.17 |
| H | Other Free Reserve (Debenture Redemption Reserve) | | 1,882.05 |
| I | Less: | | (7.48) |
| | a) Fictitious Assets | - | |
| | b) Investment arising out of underwriting commitment | (7.48) | |
| | Total Core Capital (Tier I) | | 34,519.48 |

ii. Supplementary Capital (Tier II)

| | Particulars | Amount |
|---|--|----------------|
| A | Subordinate Term Debt | 4000.00 |
| B | General Loan Loss Provision | 2820.33 |
| C | Investment Adjustment Reserve | 5.15 |
| D | Exchange Equalization Reserve | 110.78 |
| | Total Supplementary Capital (Tier II) | 6936.26 |

iii. Capital Fund (Tier I + Tier II)

| Particulars | Amount |
|--|------------------|
| Total Core Capital (Tier I) | 34,519.48 |
| Total Supplementary Capital (Tier II) | 6,936.26 |
| Total Capital Fund (Tier I + Tier II) | 41,455.74 |

iv. Information about Subordinate Term Debt

| | |
|---|----------|
| Rs 20 Crores 6% Nepal SBI Debentures 2070 of Rs. 1,000/- each issued on 16.07.2006 and maturing on 15.07.2013 | |
| Rs 40 Crs 12.5% Nepal SBI Debentures 2078 of Rs 1000/- each issued on 12.02.2012 and maturing on 11.02.2022 | |
| - Outstanding Amount | 6,000.00 |
| - Fixed Maturity Period of 7 Years from 16.07.2006 and Fixed Maturity Period of 10 Years from 12.02.2012 | |
| - 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 | NIL |
| - Amount Eligible to be reckoned as Capital Fund | 4,000.00 |

v. Deduction Form Capital

| | Particulars | Amount |
|---|--|---------------|
| A | Fictitious Assets | 0.00 |
| B | Investment arising out of underwriting commitments | (7.48) |
| | Total Deduction | (7.48) |

vi. TOTAL QUALIFYING CAPITAL

| | | |
|--|---------------------------------|------------------|
| | Total Qualifying Capital | 41,455.74 |
|--|---------------------------------|------------------|

vii. Capital Adequacy Ratio

| | | |
|--|-------------------------------|---------------|
| | Capital Adequacy Ratio | 11.21% |
|--|-------------------------------|---------------|

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

| | Particulars | Amount |
|---|---|-------------------|
| A | Risk Weighted Exposure for Credit Risk | 339,492.91 |
| B | Risk Weighted Exposure for Operational Risk | 19,019.71 |
| C | Risk Weighted Exposure for Market Risk | 4,175.34 |
| | Add: 2% of the total RWE as Supervisor is not satisfied with the overall risk | |
| D | Management Policies and Procedures (6.4 a 9) | 7,253.76 |
| | Total Risk Weighter Exposure (A+B+C) | 369,941.72 |

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 | 1,618.13 |
| 3 | Claims on Banks | 42,873.97 |
| 4 | Claims on Corporate and Securities Entities | 178,101.42 |
| 5 | Claims on Regulatory Retail Portfolio | 38,676.61 |
| 6 | Claims Secured by Residential Properties | 16,436.37 |
| 7 | Claims Secured by Commercial Real Estate | 1,650.00 |
| 8 | Past Due Claims | 952.90 |
| 9 | High Risk Claims | 7,452.83 |
| 10 | Other Assets | 16,932.79 |
| 11 | Off Balance Sheet Items | 34,797.88 |
| | Total | 339,492.90 |

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

| | Particulars | Gross Amount | Provision | Net Amount |
|---|--------------|-----------------|---------------|---------------|
| A | Restructured | 1,001.30 | 604.96 | 396.34 |
| B | Sub-standard | 17.64 | 17.64 | - |
| C | Doubtful | 3.25 | 3.25 | - |
| D | Loss | 363.22 | 346.85 | 16.37 |
| | Total | 1,385.41 | 972.70 | 412.71 |

iv. Non Performing Assets (NPA) Ratios

| NPA Ratios | Percentage (%) |
|-------------------------------|----------------|
| - Gross NPA to Gross Advances | 0.49% |
| - Net NPA to Net Advances | 0.15% |

v. Movement of Non Performing Assets

| S.No. | Particulars | Opening Balance (Ashad End, 2069) | Closing Balance (Ashwin End, 2069) | Movement |
|-------|----------------------------|--------------------------------------|--|----------|
| | Non Performing Loan | | | |
| 1 | Restructured Loan | 1064.04 | 1001.30 | (62.74) |
| 2 | Sub-Standard | 45.84 | 17.64 | (28.20) |
| 3 | Doubtful | 28.47 | 3.25 | (25.22) |
| 4 | Loss | 300.13 | 363.22 | 63.09 |

vi. Write Off Of Loans and Interest Suspense:

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

vii. Movement Of Loan Loss Provison and Interest Suspense

Loan Loss Provision

| S.No. | Particulars | Opening Balance (Ashad End, 2069) | Closing Balance (Ashwin End, 2069) | Movement |
|----------------------------------|--------------|--------------------------------------|--|---------------|
| 1 | Pass | 2,624.33 | 2,820.33 | 196.00 |
| 2 | Restructure | 299.04 | 604.96 | 305.91 |
| 3 | Sub-Standard | 11.46 | 17.64 | 6.18 |
| 4 | Doubtful | 12.28 | 3.25 | (9.02) |
| 5 | Loss | 268.67 | 346.85 | 78.18 |
| Total Loan Loss Provision | | 3,215.78 | 3,793.03 | 577.25 |

Interest Suspense

| S.No. | Particulars | Opening Balance (Ashad End, 2069) | Closing Balance (Ashwin End, 2069) | Movement |
|-------|-------------------|--------------------------------------|--|----------|
| | Interest Suspense | 770.00 | 866.81 | 96.81 |

viii. Details of Additional Loan Loss Provision

| S.No. | Particulars | Ashwin End 2069 |
|--------------|--------------|-----------------|
| 1 | Pass | 196.00 |
| 2 | Restructure | 305.91 |
| 3 | Sub-Standard | 6.18 |
| 4 | Doubtful | (9.02) |
| 5 | Loss | 78.18 |
| Total | | 577.25 |