

DISCLOSURE UNDER BASEL II

At The End OF Poush End 2067 (2nd Quarter End of Fiscal Year 2067/68)

1. CAPITAL STRUCTURE & CAPITAL ADEQUACY

(Amount in Lacs)

i. Core Capital (Tier I)

	Particulars	Amount	Amount
A	Paid UP Equity Share Capital		18,613.24
B	Proposed Bonus Equity Share		0.00
C	Statutory General Reserve		3,828.68
D	Retained Earnings		42.49
E	Unaudited Current Year Cumulative Profit		2,022.55
F	Capital Adjustment Reserve		500.00
G	Deferred Tax Reserve		269.85
H	Other Free Reserve (Debenture Redemption Reserve)		1,142.86
G	Less:		(96.91)
	a) Fictitious Assets	-	
	b) Investment arising out of underwriting commitments	(96.91)	
	Total Core Capital (Tier I)		26,322.76

ii. Supplementary Capital (Tier II)

	Particulars	Amount
A	Subordinate Term Debt	800.00
B	General Loan Loss Provision	1955.43
C	Investment Adjustment Reserve	6.42
D	Exchange Equalization Reserve	102.00
	Total Supplementary Capital (Tier II)	2863.85

iii. Capital Fund (Tier I + Tier II)

	Particulars	Amount
	Total Core Capital (Tier I)	26,322.76
	Total Supplementary Capital (Tier II)	2,863.85
	Total Capital Fund (Tier I + Tier II)	29,186.61

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	29186.61
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vii. Capital Adequacy Ratio

	Capital Adequacy Ratio	11.58%
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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	233,184.06
B	Risk Weighted Exposure for Operational Risk	11,961.20
C	Risk Weighted Exposure for Market Risk	4,411.62
	Total Risk Weighter Exposure (A+B+C)	249,556.88

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	1,654.04
3	Claims on Banks	29,917.15
4	Claims on Corporate and Securities Entities	114,066.87
5	Claims on Regulatory Retail Portfolio	26,881.90
6	Claims Secured by Residential Properties	15,447.61
7	Claims Secured by Commercial Real Estate	2,877.26
8	Past Due Claims	1,835.61
9	High Risk Claims	677.40
10	Other Assets	9,729.87
11	Off Balance Sheet Items	30,096.36
Total		233,184.06

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

	Particulars	Gross Amount	Provision	Net Amount
A	Restructured	1,508.98	495.44	1,013.55
B	Sub-standard	66.97	15.96	51.01
C	Doubtful	33.28	10.69	22.59
D	Loss	1,115.53	1,079.21	36.32
Total		2,724.76	1,601.29	1,123.47

iv. Non Performing Assets (NPA) Ratios

NPA Ratios	Percentage (%)
- Gross NPA to Gross Advances	1.37%
- Net NPA to Net Advances	0.57%

v. Movement of Non Performing Assets

S.No.	Particulars	Opening Balance (Ashwin End, 2067)	Closing Balance (Poush End, 2067)	Movement
Non Performing Loan				
1	Restructured Loan	2225.73	1508.98	(716.75)
2	Sub-Standard	95.97	66.97	(29.00)
3	Doubtful	32.98	33.28	0.30
4	Loss	2,483.84	1,115.53	(1,368.31)

vi. Write Off Of Loans: NPR 1,381.73

Write off Interest Suspense: NPR 1,458.42

vii. Movement Of Loan Loss Provison and Interest Suspense

Loan Loss Provision

S.No.	Particulars	Opening Balance (Ashwin End, 2067)	Closing Balance (Poush End, 2067)	Movement
1	Pass	1,836.78	1,955.43	118.65
2	Restructure	586.09	495.44	(90.65)
3	Sub-Standard	21.27	15.96	(5.31)
4	Doubtful	12.21	10.69	(1.52)
5	Loss	2,445.56	1,079.21	(1,366.35)
Total Loan Loss Provision		4,901.91	3,556.72	(1,345.19)

Interest Suspense

S.No.	Particulars	Opening Balance (Ashwin End, 2067)	Closing Balance (Ashwin End, 2066)	Movement
1	Interest Suspense	3,088.70	1,701.64	-1,387.06

viii. Details of Additional Loan Loss Provision

S.No.	Particulars	Ashwin End, 2067
1	Pass	118.65
2	Restructure	(90.65)
3	Sub-Standard	(5.31)
4	Doubtful	(1.52)
5	Loss	(1,366.35)
Total		(1,345.19)

ix. Segregation of the Bank's Investment portfolio

All the investments are classified as held to maturity category.

FORM NO.2 RISK WEIGHTED EXPOSURE FOR CREDIT RISK
As on 14.01.2011 (Poush End, 2067)

A. Balance Sheet Exposures	SI No. - NRB 9.1	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
		a	b	c	d=a-b-c	e	f=d*e
Cash Balance	Assets :1	1,070,249,514.96			1,070,249,514.96	0%	-
Balance With Nepal Rastra Bank	Assets :2.1	1,425,502,510.27			1,425,502,510.27	0%	-
Gold					-	0%	-
Investment in Nepalese Government Securities	Assets : 4.1.1	5,860,532,200.00			5,860,532,200.00	0%	-
All other Claims on Government of Nepal		278,429,975.45			278,429,975.45	0%	-
Investment in Nepal Rastra Bank securities	Assets : 4.1.2				-	0%	-
All other claims on Nepal Rastra Bank					-	0%	-
Claims on Foreign Government and Central Bank (ECA 0-1)					-	0%	-
Claims on Foreign Government and Central Bank (ECA -2)					-	20%	-
Claims on Foreign Government and Central Bank (ECA -3)					-	50%	-
Claims on Foreign Government and Central Bank (ECA-4-6)					-	100%	-
Claims on Foreign Government and Central Bank (ECA -7)					-	150%	-
Claims On BIS, IMF, ECB, EC and on Multilatera					-	0%	-
Development Banks (MDB's) recognized by the framework					-	0%	-
Claims on Other Multilateral Development Banks					-	100%	-
Claims on Public Sector Entity (ECA 0-1)					-	20%	-
Claims on Public Sector Entity (ECA 2)					-	50%	-
Claims on Public Sector Entity (ECA 3-6)					-	100%	-
Claims on Public Sector Entity (ECA 7)		110,269,291.01			110,269,291.01	150%	165,403,936.52
Claims on domestic banks that meet capital adequacy requirements	Assets : (2.2+3)	1,069,789,587.58			1,069,789,587.58	20%	213,957,917.52
Claims on domestic banks that do not meet capital adequacy requirements		47,837,152.76			47,837,152.76	100%	47,837,152.76
Claims on foreign bank (ECA Rating 0-1)		232,116,315.02			232,116,315.02	20%	46,423,263.00
Claims on foreign bank (ECA Rating 2)		4,611,401.20			4,611,401.20	50%	2,305,700.60
Claims on foreign bank (ECA Rating 3-6)					-	100%	-
Claims on foreign bank (ECA Rating 7)					-	150%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	Assets: 5.2 +Nostro	13,405,955,611.40			13,405,955,611.40	20%	2,681,191,122.28
Claims on Domestic Corporates		11,490,422,152.31	5,202,133.22	78,533,031.22	11,406,686,987.87	100%	11,406,686,987.87
Claims on Foreign Corporates (ECA 0-1)					-	20%	-
Claims on Foreign Corporates (ECA 2)					-	50%	-
Claims on Foreign Corporates (ECA 3-6)					-	100%	-
Claims on Foreign Corporates (ECA 7)					-	150%	-
Regulatory Retail Portfolio (Not Overdue)		3,608,834,830.07		24,581,154.61	3,584,253,675.46	75%	2,688,190,256.60
Claims Fulfilling all criterion of regulatory retail except granularity		-			-	100%	-
Claims secured by residential properties		2,574,600,936.41			2,574,600,936.41	60%	1,544,760,561.85
Claims not fully secured by residential properties					-	150%	-
Claims secured by residential properties (Overdue)		20,735,403.84	3,751,841.28		16,983,562.56	100%	16,983,562.56
Claims secured by Commercial real estate		287,726,103.14			287,726,103.14	100%	287,726,103.14
Past due claims (except for claim secured by residential properties)		267,429,014.84	156,377,565.45		111,051,449.39	150%	166,577,174.09
High Risk Claims		1,081,240,785.95		1,054,301,206.22	26,939,579.73	150%	40,409,369.60
Investments in equity and other capital instruments of institutions listed in the stock exchange	Assets : (5.1.4+5.1.7+5.1.8)	27,330,500.00			27,330,500.00	100%	27,330,500.00
Investments in equity and other capital instruments of institutions not listed in the stock exchange					-	150%	-

FORM NO.6 RISK WEIGHTED EXPOSURE FOR OPERATIONAL RISK
As on 14.01.2011 (Poush End, 2067)

Particulars	Year 2 (2064/65)	Year 3 (2065/66)	Year 4 (2066/67)
Net Interest Income	515,594,968.00	635,745,411.00	826,010,718.00
Commission and Discount Income	50,917,830.00	78,836,624.00	131,692,149.00
Other Operating Income	19,557,259.00	52,790,137.00	78,796,662.00
Exchange Fluctuation Income	51,989,275.00	61,294,299.00	70,328,247.00
Addition / Deduction Interest Suspense during the period	44,927,359.00	(211,611,464.00)	(14,629,711.35)
Gross income (a)	682,986,691.00	617,055,007.00	1,092,198,064.65
Alfa (b)	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]	102,448,003.65	92,558,251.05	163,829,709.70
Capital Requirement for operational risk (d) (average of c)	119,611,988.13		
Risk Weight (reciprocal of capital requirement of 10%) in times (e)	10.00	10	
Equivalent Risk Weight Exposure [f=(d×e)]	1,196,119,881.30		
PILLAR-II ADJUSTMENTS			
If Gross Income for all the last three years is negative (6.4 a 8)			
Total Credit and Investment (net of Specific Provision)			
Capital Requirement for operational risk (5%)			
Risk Weight (reciprocal of capital requirement of 10%) in times		10	
Equivalent Risk Weight Exposure [g]			
Equivalent Risk Weight Exposure [h=f+g]			

FORM NO.7 RISK WEIGHTED EXPOSURE FOR MARKET RISK
As on 14.01.2011 (Poush End, 2067)

S.No.	Currency	Open Position (FCY)	Rate	Open Position (NPR)	Relevant Open Position
1	AUD	112,515.12	72.5	8157346.2	8,157,346.20
2	CAD	75.00	72.92	5469	5,469.00
3	EURO	216,217.29	96.31	20823887.19	20,823,887.19
4	GBP	162,314.42	114.32	18555784.49	18,555,784.49
5	HKD				-
6	INR	499,722,080.46	1.60075	799930120.3	799,930,120.29
7	JPY	8,991,050.00	0.872	7840195.6	7,840,195.60
8	SGD	720.00	56.08	40377.6	40,377.60
9	USD	372,266.57	72.45	26970712.99	26,970,712.99
Total Open Position (a)					882,323,893.36
Fixed Percentage (b)					5%
Capital Charge for Market Risk [c=(a×b)]					44,116,194.67
Risk Weight (reciprocal of capital requirement of 10%) in times (d)					10.00
Equivalent Risk Weight Exposure [e=(c×d)]					441,161,946.68

FORM NO.7 RISK WEIGHTED EXPOSURE FOR MARKET RISK
As on 14.01.2011 (Poush End, 2067)

S.No.	Currency	Open Position (FCY)	Rate	Open Position (NPR)	Relevant Open Position
1	AUD	112,515.12	72.5	8157346.2	8,157,346.20
2	CAD	75.00	72.92	5469	5,469.00
3	EURO	216,217.29	96.31	20823887.19	20,823,887.19
4	GBP	162,314.42	114.32	18555784.49	18,555,784.49
5	HKD				-
6	INR	499,722,080.46	1.60075	799930120.3	799,930,120.29
7	JPY	8,991,050.00	0.872	7840195.6	7,840,195.60
8	SGD	720.00	56.08	40377.6	40,377.60
9	USD	372,266.57	72.45	26970712.99	26,970,712.99
Total Open Position (a)					882,323,893.36
Fixed Percentage (b)					5%
Capital Charge for Market Risk [c=(a×b)]					44,116,194.67
Risk Weight (reciprocal of capital requirement of 10%) in times (d)					10.00
Equivalent Risk Weight Exposure [e=(c×d)]					441,161,946.68