Disclosure under Basel II

As at mid April 2009 (3rd Quarter End of FY 2008/09)

Capital Structure and Capital Adequacy:

- **Tier 1 Capital and Breakdown of its Components:**

NPR

	Particulars	Amount
a	Paid up Equity Share Capital	965,747,000
b	Irredeemable Non-cumulative preference shares	
c	Share Premium	74,000
d	Proposed Bonus Equity Shares	-
e	Statutory General Reserves	1,133,500,000
f	Retained Earnings	161,584,426
g	Un-audited current year cumulative profit	658,622,039
h	Capital Redemption Reserve	
i	Capital Adjustment Reserve	
j	Dividend Equalization Reserves	100,000,000
k	Other Free Reserve	2,578,000
	Total Tier 1 Capital	**3,022,105,465**

- **Tier 2 Capital and Breakdown of its Components:**

NPR

	Particulars	Amount
a	Cumulative and/or Redeemable Preference Share	
b	Subordinated Term Debt	300,000,000
c	Hybrid Capital Instruments	
d	General loan loss provision	351,082,918
e	Investment Adjustment Reserve	-
f	Assets Revaluation Reserve	
g	Exchange Equalization Reserve	64,100,000
h	Other Reserves	9,500,000
	Total Tier 2 Capital	**724,682,918**

- **Details of Subordinated Term Debt:**

The Bank has Nabil Bank Bond 2075 for Rs.300 million with the following main features:

- Maturity period: 10 Years.
- Interest rate: 8.5% per annum.
- Interest Payment frequency: Half Yearly.
- Claim in case of liquidation: After depositors.
- Debenture Redemption Reserve shall be created from the 6th year
- Pledgebility: Can be pledged with banks and financial institutions other than Nabil.

- **Deductions from Capital:**

The bank does not hold any amount as stipulated in the Framework that qualifies for deduction from its Core Capital.

- **Total qualifying capital:**

NPR

Particulars	Amount
Core Capital (Tier 1)	3,022,105,465
Supplementary Capital (Tier 2)	724,682,918
Total Capital Fund	**3,746,788,383**

Risk Exposures:

- **Risk weighted exposures under each 11 categories of Credit Risk:**

NPR

S.N.	Categorises	Risk Weighted Exposure
1	Claims on Government and Central Bank	-
2	Claims on Other Financial Entities	-
3	Claims on Banks	2,042,546,024
4	Claims on Domestic Corporates and Securities Firms	18,161,318,199
5	Claims on Regulatory Retail Portfolio & Other Retail Portfolio	4,057,403,880
6	Claims secured by residential properties	1,557,110,229
7	Claims secured by Commercial real estate	-
8	Past due claims	209,130,576
9	High Risk claims	251,409,963
10	Other Assets	664,925,539
11	Off Balance Sheet Items	3,382,760,420
	Total	**30,326,604,829**

- **Risk weighted exposures for Credit Risk, Market Risk and Operational Risk:**

NPR

RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	30,326,604,829
Risk Weighted Exposure for Operational Risk	2,264,233,871
Risk Weighted Exposure for Market Risk	285,002,216
Total Risk Weighted Exposures (a+b+c)	**32,875,840,915**

- **Total Risk Weight Exposures calculation table:**

NPR

RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	30,326,604,829
Risk Weighted Exposure for Operational Risk	2,264,233,871
Risk Weighted Exposure for Market Risk	285,002,216
Total Core Capital to Total Risk Weighted Exposures	9.19%
Total Capital to Total Risk Weighted Exposures	11.40%

- **Amount of Non Performing Assets (both Gross and Net)**

NPR

Particulars	Amount	Loan Loss Provision	Net NPL
Non Performing Loans (NPL):			
Restructured	12,320,497	2,349,669	9,970,828
Sub-Standard	170,220,466	58,305,117	111,915,350
Doubtful	43,223,435	22,259,352	20,964,083
Loss	85,162,355	79,155,806	6,006,548
Total	**310,926,753**	**162,069,943**	**148,856,810**

- **NPA Ratios**

NPA Ratios	(%)
Gross NPA to Gross Advances	1.17
Net NPA to Net Advances	0.57

- **Movement in Non Performing Assets**

Particulars	This Quarter	Previous Quarter	Changes(%)
Non Performing Assets (Volumes)	310,926,753	219,343,551	41.75
Non Performing Assets (%)	1.17	0.86	0.31

- **Write off of Loans and Interest Suspense in the Quarter**

  None.

- **Movement in Loan Loss Provision and Interest Suspense:**

Particulars	This Quarter	Previous Quarter	Changes(%)
Loan Loss Provision	496,427,193.35	483,409,651.07	2.69
Interest Suspense	174,114,169.41	157,154,933.36	10.79

- **Details of Additional Loan Loss Provision:**

Particulars	16 Oct 2008
Pass	-
Rescheduled/ Restructured	328,034
Sub-Standard	15,750,000
Doubtful	647,634
Loss	-
Total	**16,725,668**

- **Segregation of Investment Portfolio:**

Particulars	16 Oct 2008
Held for Trading	-
Held to Maturity	8,198,916,555
Available for sale	2,985,860,892
Total Investment	**11,184,777,446**