

## Disclosure under Basel II

As at mid January 2010 (2<sup>nd</sup> Quarter End of FY 2009/10)

### Capital Structure and Capital Adequacy:

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

		NPR
	Particulars	Amount
a	Paid up Equity Share Capital	1,449,124,000
b	Irredeemable Non-cumulative preference shares	
c	Share Premium	74,000
d	Proposed Bonus Shares	
e	Statutory General Reserves	1,340,500,000
f	Retained Earnings	103,562,233
g	Current year Profit/(loss)	633,231,161
h	Capital Redemption Reserves	
i	Capital Adjustment Reserves	
j	Dividend Equalization Reserves	100,000,000
k	Debenture Redemption Reserves	
l	Deferred Tax Reserve	47,670,466
m	Other Free Reserves	2,578,000
	<b>Total Tier 1 Capital</b>	<b>3,676,739,859</b>

- **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	339,955,611
e	Exchange Equalization Reserves	75,400,000
f	Investments Adjustment Reserves	
g	Assets Revaluation Reserves	
h	Other Reserves	10,500,000
	<b>Total Tier 2 Capital</b>	<b>725,855,611</b>

- **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 6<sup>th</sup> year
- Pledgeability: 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)	3,676,739,859
Supplementary Capital (Tier 2)	725,855,611
<b>Total Capital Fund</b>	<b>4,402,595,470</b>

**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	2,902,275,817
4	Claims on Domestic Corporates and Securities Firms	23,077,707,916
5	Claims on Regulatory Retail Portfolio & Other Retail Portfolio	5,614,713,677
6	Claims secured by residential properties	1,865,586,643
7	Claims secured by Commercial real estate	-
8	Past due claims	276,618,760
9	High Risk claims	227,005,804
10	Other Assets	1,020,806,067
11	Off Balance Sheet Items	4,055,581,638
<b>Total</b>		<b>39,040,296,322</b>

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

NPR

RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	39,040,296,322
Risk Weighted Exposure for Operational Risk	2,706,731,407
Risk Weighted Exposure for Market Risk	97,372,467
<b>Total Risk Weighted Exposures (a+b+c)</b>	<b>41,844,400,195</b>

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

NPR

RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	39,040,296,322
Risk Weighted Exposure for Operational Risk	2,706,731,407
Risk Weighted Exposure for Market Risk	97,372,467
Total Core Capital to Total Risk Weighted Exposures	8.79%
Total Capital to Total Risk Weighted Exposures	10.52%

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

NPR

Particulars	Amount	Loan Loss Provision	Net NPL
Sub-Standard	181,949,004	61,237,251	120,711,753
Doubtful	110,509,318	55,249,941	55,259,377
Loss	47,529,347	43,315,884	4,213,463
<b>Total</b>	<b>339,987,669</b>	<b>159,803,076</b>	<b>180,184,593</b>

- **NPA Ratios**

NPA Ratios	(%)
Gross NPA to Gross Advances	1.00
Net NPA to Net Advances	0.54

- **Movement in Non Performing Assets**

NPR

Particulars	This Quarter	Previous Quarter	Changes(%)
Non Performing Assets (Volumes)	339,987,669	358,481,287	(5.16)
Non Performing Assets (%)	1.00	1.16	(0.16)

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

None

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

NPR

Particulars	This Quarter	Previous Quarter	Changes(%)
Loan Loss Provision	499,995,027	460,054,456	8.68
Interest Suspense	190,075,658	218,343,548	(12.95)

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

Particulars	14 January 2010
Pass	-
Rescheduled/ Restructured	-
Sub-Standard	15,750,000
Doubtful	-
Loss	-
<b>Total</b>	<b>15,750,000</b>

- **Segregation of Investment Portfolio:**

Particulars	14 January 2010
Held for Trading	-
Held to Maturity	9,265,891,336
Available for sale	4,297,700,389
<b>Total Investment</b>	<b>13,563,591,725</b>