

Disclosure under Basel II

As at mid October 2009 (1st 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	56,691,597
g	Current year Profit/(loss)	262,444,564
h	Capital Redemption Reserves	
i	Capital Adjustment Reserves	
j	Dividend Equalization Reserves	100,000,000
k	Debenture Redemption Reserves	
l	Deferred Tax Reserve	95,373,040
m	Other Free Reserves	2,578,000
	Total Tier 1 Capital	3,306,785,201

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

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	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	307,688,915
e	Exchange Equalization Reserves	75,400,000
f	Investments Adjustment Reserves	
g	Assets Revaluation Reserves	
h	Other Reserves	10,500,000
	Total Tier 2 Capital	693,588,915

- 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
- 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:**

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Particulars	Amount
Core Capital (Tier 1)	3,306,785,201
Supplementary Capital (Tier 2)	693,588,915
Total Capital Fund	4,000,374,116

Risk Exposures:

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

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S.N.	Categorises	Risk Weighted Exposure
1	Claims on Government and Central Bank	-
2	Claims on Other Financial Entities	-
3	Claims on Banks	2,506,353,592
4	Claims on Domestic Corporates and Securities Firms	21,083,074,759
5	Claims on Regulatory Retail Portfolio & Other Retail Portfolio	5,165,226,420
6	Claims secured by residential properties	1,775,134,221
7	Claims secured by Commercial real estate	-
8	Past due claims	316,824,463
9	High Risk claims	237,877,138
10	Other Assets	821,717,282
11	Off Balance Sheet Items	3,867,752,907
Total		35,773,960,782

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

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RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	35,773,960,782
Risk Weighted Exposure for Operational Risk	2,706,731,407
Risk Weighted Exposure for Market Risk	128,165,974
Total Risk Weighted Exposures (a+b+c)	38,608,858,162

- Total Risk Weight Exposures calculation table:

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RISK WEIGHTED EXPOSURES	Amount
Risk Weighted Exposure for Credit Risk	35,773,960,782
Risk Weighted Exposure for Operational Risk	2,706,731,407
Risk Weighted Exposure for Market Risk	128,165,974
Total Core Capital to Total Risk Weighted Exposures	8.56%
Total Capital to Total Risk Weighted Exposures	10.36%

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

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Particulars	Amount	Loan Loss Provision	Net NPL
Sub-Standard	264,139,558	81,784,890	182,354,669
Doubtful	41,059,657	20,524,616	20,535,040
Loss	53,282,072	49,062,093	4,219,979
Total	358,481,287	151,371,599	207,109,688

- NPA Ratios

NPA Ratios	(%)
Gross NPA to Gross Advances	1.16
Net NPA to Net Advances	0.68

- Movement in Non Performing Assets

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Particulars	This Quarter	Previous Quarter	Changes(%)
Non Performing Assets (Volumes)	358,481,287	224,817,413	59.45
Non Performing Assets (%)	1.16	0.80	0.36

- **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	460,054,456	409,079,030	12.46
Interest Suspense	218,343,548	151,568,100	44.06

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

Particulars	17 October 2009
Pass	-
Rescheduled/ Restructured	267,753
Sub-Standard	15,750,000
Doubtful	-
Loss	-
Total	16,017,753

- **Segregation of Investment Portfolio:**

Particulars	17 October 2009
Held for Trading	-
Held to Maturity	10,156,436,628
Available for sale	2,157,207,870
Total Investment	12,313,644,498