

**DISCLOSURE UNDER NEW CAPITAL ADEQUACY FRAMEWORK
FOR THE QUARTER ENDING ASHWIN 2069**

1. Capital structure and capital adequacy:

- **Tier 1 capital and a breakdown of its components:**

	Details	Amount (NPR)
1.	Paid up Equity Share Capital	2,000,000,000
2.	Share Premium	10,077,915
3.	Statutory General Reserves	196,504,634
4.	Retained Earnings	44,062,540
5.	Unaudited Current Year Cumulative Profit	90,109,673
6.	Less: Investment in equity of institutions with financial interests	(100,000,000)
	Total Core Capital	2,240,754,762

- **Tier 2 capital and a breakdown of its components:**

	Details	Amount (NPR)
1.	General loan loss provision	138,986,065
2.	Exchange Equalization Reserve	10,772,167
3.	Investment Adjustment Reserve	2,269,011
	Total Supplementary Capital	152,027,243

- **Detailed information about the Subordinated Term Debts with information on the outstanding amount, maturity, and amount raised during the year and amount eligible to be reckoned as capital funds.**

- The Bank does not have any Subordinated Term Debts

- **Deductions from capital:**

- Investment in equity shares of subsidiary company NMB Capital Ltd amounting to NPR 100,000,000 is deducted from Capital.

- **Total qualifying capital:**

	Details	Amount (NPR)
1.	Core Capital (Tier I)	2,240,754,762
2.	Supplementary Capital (Tier II)	152,027,243
	Total Capital Fund (Tier I and Tier II)	2,392,782,006

- **Capital Adequacy Ratio:**

	Details	Percentage
1.	Tier I Capital to Total Risk Weighted Exposure	12.47 %
2.	Tier I and Tier II Capital to Total Risk Weighted Exposure	13.31%

- **Summary of the terms, conditions and main features of all capital instruments, especially in case of subordinated term debts including hybrid capital instruments.**

- Bank does not have any other capital instruments except fully paid up Equity Shares as qualifying capital.

2. Risk exposures:

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

S.N.	Risk Weighted Exposure	Amount (NPR)
a.	Risk Weighted Exposure for Credit Risk	16,461,444,997
b.	Risk Weighted Exposure for Operational Risk	840,770,073
c.	Risk Weighted Exposure for Market Risk	321,025,880
	Total Risk Weighted Exposures (a+b+c)	17,623,240,949
	Add : 2% of the the total RWE due to Supervisory add up	352,464,819
	Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	17,975,705,768

- Risk Weighted Exposures under each of 11 categories of Credit Risk:

S.N.	Particulars	Amount (NPR)
1.	Claims on government and Central Bank	NIL
2.	Claims on other Official Entities	30,000,000
3.	Claims on Bank	348,420,424
4.	Claims on Domestic Corporate and Securities Firms	10,105,369,466
5.	Claims on Regulatory Retail Portfolio	553,025,490
6.	Claims secured by Residential Properties	423,513,191
7.	Claims secured by Commercial Real Estate	714,528,881
8.	Past Due Claims	179,359,653
9.	High Risk Claims	2,362,331,392
10.	Other Assets	411,236,995
11.	Off Balance sheet items	1,333,659,506
	TOTAL	16,461,444,997

- Total Risk Weighted Exposure calculation table:

S.N.	Particulars	Amount (NPR)
a.	Risk Weighted Exposure for Credit Risk	16,461,444,997
b.	Risk Weighted Exposure for Operational Risk	840,770,073
c.	Risk Weighted Exposure for Market Risk	321,025,880
1.	Total Risk Weighted Exposure	17,623,240,949
	Add : 2% of the the total RWE due to Supervisory add up	352,464,819
	Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	17,975,705,768
2.	Total Core Capital Fund (Tier 1)	2,240,754,762
3.	Total Capital Fund (Tier 1 & Tier 2)	2,392,782,006
4.	Total Core Capital to Total Risk Weighted Exposures	12.47%
5.	Total Capital to Total Risk Weighted Exposures	13.31%

Amount of Non Performing Assets (NPAs)

Category	Gross	Provision	Net
Restructure/Reschedule Loan	4,212,584	951,050	3,261,534
Substandard	50,566,776	12,641,694	37,925,082
Doubtful	5,100,787	2,550,394	2,550,394
Loss	253,869,226	253,869,226	Nil
Total	313,749,373	270,012,363	43,737,009

NPA Ratio

Gross NPA to Gross Advances	2.19 %
Net NPA to Net Advances	0.32%

Movement of Non Performing Assets

Particulars	Ashad End 2069	Ashwin End 2069	Movement
Restructure/Reschedule Loan	6,020,975	4,212,584	(1,808,391)
Substandard	20,585,667	50,566,776	29,981,109
Doubtful	24,725,606	5,100,787	(19,624,819)
Loss	254,516,312	253,869,226	(647,086)
Total Non Performing Loan	305,848,560	313,749,373	7,900,813

Write off of Loans & Interest Suspense: NIL

Movement of Loan Loss Provision & Interest Suspense

	Category	Ashad End 2069	Ashwin End 2069	Movement
1.	Pass	124,416,806	142,379,690	17,962,884
2.	Restructured	1,197,376	951,050	(246,326)
3.	Substandard	5,146,417	12,641,694	7,495,277
4.	Doubtful	12,362,803	2,550,394	(9,812,409)
5.	Loss	254,516,312	253,869,226	(647,086)
	Total Loan Provision	397,639,714	412,392,053	14,752,339
	Interest Suspense	91,025,183	94,627,369	3,602,186

Segregation of Investment Portfolio

Particulars	Current Period
Held for Trading	1,750,000
Held for Maturity	1,374,534,509
Available for Sale	13,450,549
Total Investment Portfolio	1,389,735,058

Eligible Credit Risk Mitigants (CRM) availed

As per the provisions of the New Capital Adequacy Framework, the bank has claimed all the eligible credit risk mitigants of NPR 133,830,222 for Balance Sheet and Off Balance Sheet exposures and availed benefit thereof.

Summary of the Banks internal approach to assess the adequacy of its capital to support current & future activities:

- Regular monitoring by the Compliance Department
- Supervision by the Top level Management