

**DISCLOSURE UNDER NEW CAPITAL ADEQUACY FRAMEWORK
FOR THE QUARTER ENDING ASHAD 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	186,059,746
4.	Retained Earnings	7,132,962
5.	Unaudited Current Year Cumulative Profit	55,451,882
6.	Less: Investment in equity of institutions with financial interests	(100,000,000)
	Total Core Capital	2,158,722,505

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

	Details	Amount (NPR)
1.	General loan loss provision	123,234,299
2.	Exchange Equalization Reserve	6,414,442
3.	Investment Adjustment Reserve	1,776,760
	Total Supplementary Capital	131,425,501

- **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)	2,158,722,505
2.	Supplementary Capital (Tier II)	131,425,501
	Total Capital Fund (Tier I and Tier II)	2,290,148,006

- **Capital Adequacy Ratio:**

	Details	Percentage
1.	Tier I Capital to Total Risk Weighted Exposure	13.82 %
2.	Tier I and Tier II Capital to Total Risk Weighted Exposure	14.66%

- **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	14,485,830,225
b.	Risk Weighted Exposure for Operational Risk	638,978,413
c.	Risk Weighted Exposure for Market Risk	188,149,604
	Total Risk Weighted Exposures (a+b+c)	15,312,958,272
	Add : 2% of the the total RWE due to Supervisory add up	306,259,165
	Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	15,619,217,437

- 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	171,347,794
4.	Claims on Domestic Corporate and Securities Firms	7,781,891,280
5.	Claims on Regulatory Retail Portfolio	648,567,665
6.	Claims secured by Residential Properties	389,589,209
7.	Claims secured by Commercial Real Estate	648,874,317
8.	Past Due Claims	219,184,432
9.	High Risk Claims	3,007,367,889
10.	Other Assets	366,231,562
11.	Off Balance sheet items	1,222,776,109
	TOTAL	14,485,830,255

- Total Risk Weighted Exposure calculation table:

S.N.	Particulars	Amount (NPR)
a.	Risk Weighted Exposure for Credit Risk	14,485,830,255
b.	Risk Weighted Exposure for Operational Risk	638,978,413
c.	Risk Weighted Exposure for Market Risk	188,149,604
1.	Total Risk Weighted Exposure	15,312,958,272
	Add : 2% of the the total RWE due to Supervisory add up	306,259,165
	Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	15,619,217,437
2.	Total Core Capital Fund (Tier 1)	2,158,722,505
3.	Total Capital Fund (Tier 1 & Tier 2)	2,290,148,006
4.	Total Core Capital to Total Risk Weighted Exposures	13.82%
5.	Total Capital to Total Risk Weighted Exposures	14.66%

Amount of Non Performing Assets (NPAs)

Category	Gross	Provision	Net
Restructure/Reschedule Loan	6,020,975	1,197,376	4,823,599
Substandard	20,585,667	5,146,417	15,439,250
Doubtful	24,725,606	12,362,803	12,362,803
Loss	254,516,312	254,516,312	Nil
Total	305,848,560	273,222,908	32,625,652

NPA Ratio

Gross NPA to Gross Advances	2.45 %
Net NPA to Net Advances	0.27%

Movement of Non Performing Assets

Particulars	Chaitra End 2068	Ashad End 2069	Movement
Restructure/Reschedule Loan	6,087,266	6,020,975	(66,291)
Substandard	53,964,621	20,585,667	(33,378,954)
Doubtful	256,231,175	24,725,606	(231,505,569)
Loss	25,610,710	254,516,312	228,905,602
Total Non Performing Loan	341,893,773	305,848,560	(36,045,212)

Write off of Loans & Interest Suspense: NIL

Movement of Loan Loss Provision & Interest Suspense

	Category	Chaitra End 2068	Ashad End 2069	Movement
1.	Pass	120,143,800	124,416,806	4,273,006
2.	Restructured	1,205,662	1,197,376	(8,286)
3.	Substandard	13,491,155	5,146,417	(8,344,738)
4.	Doubtful	128,115,587	12,362,803	(115,752,784)
5.	Loss	25,610,710	254,516,312	228,905,602
	Total Loan Provision	288,566,916	397,639,714	109,072,800
	Interest Suspense	86,541,726	91,025,183	4,483,457

Segregation of Investment Portfolio

Particulars	Current Period
Held for Trading	6,400,000
Held for Maturity	2,151,997,898
Available for Sale	13,450,549
Total Investment Portfolio	2,171,848,446

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 155,821,068 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