

**DISCLOSURE UNDER NEW CAPITAL ADEQUACY FRAMEWORK
FOR THE QUARTER ENDING POUH 2070**

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	268,583,359
4	Retained Earnings	4,996,113
5	Unaudited Current Year Cumulative Profit	197,758,167
6	Deferred Tax Reserve	25,355,930
7	Less: Investment in equity of institutions with financial interests	(100,000,000)
	Total Core Capital	2,406,771,484

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

	Details	Amount (NPR)
1	General loan loss provision	174,561,543
2	Exchange Equalization Reserve	14,805,868
3	Investment Adjustment Reserve	100,260,713
	Total Supplementary Capital	289,628,124

- **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)	2,406,771,484
2	Supplementary Capital (Tier II)	289,628,124
	Total Capital Fund (Tier I and Tier II)	2,696,399,607

• **Capital Adequacy Ratio:**

	Details	Percentage
1	Tier I Capital to Total Risk Weighted Exposure	10.14%
2	Tier I and Tier II Capital to Total Risk Weighted Exposure	11.36%

- **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	21,729,515,010
b.	Risk Weighted Exposure for Operational Risk	1,077,931,258
c.	Risk Weighted Exposure for Market Risk	276,826,973
	Total Risk Weighted Exposures (a+b+c)	23,084,273,242
	Add : 2% of the the total RWE due to Supervisory add up	461,685,465
	Add : RWE equivalent to reciprocal of capital charge of 2 % of gross income.	186,070,204
	Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	23,732,028,911

- **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	NIL
3	Claims on Banks	684,097,739
4	Claims on Corporate and Securities Firms	13,067,742,102
5	Claims on Regulatory Retail Portfolio	641,016,128
6	Claims secured by Residential Properties	1,004,200,432
7	Claims secured by Commercial Real Estate	533,823,031
8	Past Due Claims	179,568,991
9	High Risk Claims	2,144,116,859
10	Other Assets	657,981,329
11	Off Balance sheet items	2,816,968,399
	TOTAL	21,729,515,010

• **Total Risk Weighted Exposure calculation table:**

S.N.	Particulars	Amount (NPR)
a.	Risk Weighted Exposure for Credit Risk	21,729,515,010
b.	Risk Weighted Exposure for Operational Risk	1,077,931,258
c.	Risk Weighted Exposure for Market Risk	276,826,973
1	Total Risk Weighted Exposure	23,084,273,242
	Add : 2% of the the total RWE due to Supervisory add up	461,685,465
	Add : RWE equivalent to reciprocal of capital charge of 2 % of gross income.	186,070,204
	Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	23,732,028,911
2	Total Core Capital Fund (Tier 1)	2,406,771,484
3	Total Capital Fund (Tier 1 & Tier 2)	2,696,399,607
4	Total Core Capital to Total Risk Weighted Exposures	10.14%
5	Total Capital to Total Risk Weighted Exposures	11.36%

Amount of Non Performing Assets (NPAs)

	Category	Gross	Provision	Net
1	Restructure/Reschedule Loan	3,768,533	2,091,600	1,676,933
2	Substandard	30,584,621	7,646,155	22,938,466
3	Doubtful	50,043,149	25,021,575	25,021,575
4	Loss	196,438,829	196,438,829	-
	Total	280,835,133	231,198,159	49,636,974

NPA Ratio

Gross NPA to Gross Advances	1.58%
Net NPA to Net Advances	0.29%

Movement of Non Performing Assets

	Particulars	Ashwin End 2070	Poush End 2070	Movement
1	Restructure/Reschedule Loan	2,142,442	3,768,533	1,626,091
2	Substandard	67,889,052	30,584,621	-37,304,431
3	Doubtful	5,699,484	50,043,149	44,343,666
4	Loss	228,799,581	196,438,829	(32,360,752)
	Total Non Performing Loan	304,530,559	280,835,133	-23,695,426

Write off of Loans: NIL

Write off of Interest Suspense: NIL

Movement of Loan Loss Provision & Interest Suspense

	Category	Ashwin End 2070	Poush End 2070	Movement
1	Pass	165,650,843	178,090,876	12,440,034
2	Restructured	444,722	2,091,600	1,646,878
3	Substandard	16,972,263	7,646,155	-9,326,108

4	Doubtful	2,849,742	25,021,575	22,171,833
5	Loss	228,799,581	196,438,829	(32,360,752)
	Total Loan Provision	414,717,151	409,289,036	(5,428,115)
	Interest Suspense	110,134,041	99,843,093	(10,290,948)

Segregation of Investment Portfolio

	Particulars	Current Period
1	Held for Trading	1,050,000
2	Held for Maturity	3,098,274,132
3	Available for Sale	22,405,832
	Total Investment Portfolio	3,121,729,964

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 1,150,906,235 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