

**DISCLOSURE UNDER NEW CAPITAL ADEQUACY FRAMEWORK
FOR THE QUARTER ENDING POUH 2071**

1. Capital structure and capital adequacy:

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

	Details	Amount (NPR)
1	Paid up Equity Share Capital	2,400,000,000
2	Share Premium	10,077,915
3	Statutory General Reserves	350,567,956
4	Retained Earnings	984,535
5	Unaudited Current Year Cumulative Profit	270,579,250
6	Deferred Tax Reserve	28,266,846
7	Less: Investment in equity of institutions with financial interests	(100,000,000)
	Total Core Capital	2,960,476,501

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

	Details	Amount (NPR)
1	General loan loss provision	234,481,741
2	Exchange Equalization Reserve	20,909,623
3	Investment Adjustment Reserve	2,143,366
	Total Supplementary Capital	257,534,730

- **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)	2,960,476,501
2	Supplementary Capital (Tier II)	257,534,730
	Total Capital Fund (Tier I and Tier II)	3,218,011,231

• **Capital Adequacy Ratio:**

	Details	Percentage
1	Tier I Capital to Total Risk Weighted Exposure	9.54%
2	Tier I and Tier II Capital to Total Risk Weighted Exposure	10.37%

- **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	28,396,038,680
b.	Risk Weighted Exposure for Operational Risk	1,316,541,353
c.	Risk Weighted Exposure for Market Risk	488,143,118
	Total Risk Weighted Exposures (a+b+c)	30,200,723,150
	Add : 2% of the the total RWE due to Supervisory add up	604,014,463
	Add : RWE equivalent to reciprocal of capital charge of 2 % of gross income.	213,874,553
	Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	31,018,612,166

- **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	1,129,057,198
4	Claims on Corporate and Securities Firms	17,893,590,571
5	Claims on Regulatory Retail Portfolio	755,896,601
6	Claims secured by Residential Properties	1,671,487,295
7	Claims secured by Commercial Real Estate	384,874,198
8	Past Due Claims	140,982,818
9	High Risk Claims	2,270,288,815
10	Other Assets	821,299,342
11	Off Balance sheet items	3,328,561,841
	TOTAL	28,396,038,680

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

S.N.	Particulars	Amount (NPR)
a.	Risk Weighted Exposure for Credit Risk	28,396,038,680
b.	Risk Weighted Exposure for Operational Risk	1,316,541,353
c.	Risk Weighted Exposure for Market Risk	488,143,118
1	Total Risk Weighted Exposure	30,200,723,150
	Add : 2% of the the total RWE due to Supervisory add up	604,014,463
	Add : RWE equivalent to reciprocal of capital charge of 2 % of gross income.	213,874,553
	Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	31,018,612,166
2	Total Core Capital Fund (Tier 1)	2,960,476,501
3	Total Capital Fund (Tier 1 & Tier 2)	3,218,011,231
4	Total Core Capital to Total Risk Weighted Exposures	9.54%
5	Total Capital to Total Risk Weighted Exposures	10.37%

Amount of Non Performing Assets (NPAs)

	Category	Gross	Provision	Net
1	Restructure/Reschedule Loan	3,153,374	1,979,885	1,173,489
2	Substandard	45,306,407	11,326,602	33,979,805
3	Doubtful	2,623,821	1,311,910	1,311,910
4	Loss	90,104,643	90,104,643	-
	Total	141,188,246	104,723,040	36,465,205

NPA Ratio

Gross NPA to Gross Advances	0.60%
Net NPA to Net Advances	0.16%

Movement of Non Performing Assets

	Particulars	Ashwin End 2071	Poush End 2071	Movement
1	Restructure/Reschedule Loan	3,319,592	3,153,374	(166,217)
2	Substandard	13,002,478	45,306,407	32,303,929
3	Doubtful	5,286,567	2,623,821	(2,662,747)
4	Loss	93,013,848	90,104,643	(2,909,205)
	Total Non Performing Loan	114,622,485	141,188,246	26,565,761

Write off of Loans: NIL

Write off of Interest Suspense: NIL

Movement of Loan Loss Provision & Interest Suspense

	Category	Ashwin End 2071	Poush End 2071	Movement
1	Pass	215,862,282	237,814,838	21,952,556
2	Restructured	2,069,302	1,979,885	(89,417)
3	Substandard	3,250,619	11,326,602	8,075,982

4	Doubtful	2,643,284	1,311,910	(1,331,373)
5	Loss	93,013,848	90,104,643	(2,909,205)
	Total Loan Provision	316,839,335	342,537,878	25,698,544
	Interest Suspense	70,029,524	61,193,738	(8,835,786)

Segregation of Investment Portfolio

	Particulars	Current Period
1	Held for Trading	-
2	Held for Maturity	4,191,759,118
3	Available for Sale	214,565,400
	Total Investment Portfolio	4,406,324,518

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 5,207,000,958 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