

Disclosure under Basel II

As at mid April 2010 (3rd 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	103,562,233
g	Current year Profit/(loss)	772,800,346
h	Capital Redemption Reserves	
i	Capital Adjustment Reserves	
j	Dividend Equalization Reserves	100,000,000
k	Debenture Redemption Reserves	
l	Deferred Tax Reserve	47,670,466
m	Other Free Reserves	2,578,000
	Total Tier 1 Capital	3,816,309,045

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

NPR

	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	336,298,814
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	722,198,814

- **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:**

		NPR
Particulars	Amount	
Core Capital (Tier 1)	3,816,309,045	
Supplementary Capital (Tier 2)	722,198,814	
Total Capital Fund	4,538,507,858	

- **Risk Exposures:**

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

			NPR
S.N.	Categorises	Risk Weighted Exposure	
1	Claims on Government and Central Bank	-	
2	Claims on Other Financial Entities	-	
3	Claims on Banks	2,402,513,629	
4	Claims on Domestic Corporates and Securities Firms	23,166,392,038	
5	Claims on Regulatory Retail Portfolio & Other Retail Portfolio	5,594,510,334	
6	Claims secured by residential properties	1,818,895,727	
7	Claims secured by Commercial real estate	-	
8	Past due claims	117,897,646	
9	High Risk claims	272,845,506	
10	Other Assets	888,340,421	
11	Off Balance Sheet Items	4,477,120,420	
Total		38,738,515,723	

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

		NPR
RISK WEIGHTED EXPOSURES	Amount	
Risk Weighted Exposure for Credit Risk	38,738,515,723	
Risk Weighted Exposure for Operational Risk	2,706,731,407	
Risk Weighted Exposure for Market Risk	162,305,055	
Total Risk Weighted Exposures (a+b+c)	41,607,552,184	

- **Total Risk Weight Exposures calculation table:**

		NPR
RISK WEIGHTED EXPOSURES	Amount	
Risk Weighted Exposure for Credit Risk	38,738,515,723	
Risk Weighted Exposure for Operational Risk	2,706,731,407	
Risk Weighted Exposure for Market Risk	162,305,055	
Total Core Capital to Total Risk Weighted Exposures	9.17%	
Total Capital to Total Risk Weighted Exposures	10.91%	

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

				NPR
Particulars	Amount	Loan Loss Provision	Net NPL	
Sub-Standard	73,665,399	18,512,862	55,152,537	
Doubtful	16,754,642	8,377,321	8,377,321	
Loss	445,738,072	441,554,763	4,183,308	
Total	536,158,112	468,444,946	67,713,166	

- **NPA Ratios**

NPA Ratios	(%)
Gross NPA to Gross Advances	1.57
Net NPA to Net Advances	0.20

- **Movement in Non Performing Assets**

			NPR
Particulars	This Quarter	Previous Quarter	Changes(%)
Non Performing Assets (Volumes)	536,158,112	339,987,669	57.70
Non Performing Assets (%)	1.57	1.00	0.57

- **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	805,493,578	499,995,027	61.10
Interest Suspense	222,202,604	190,075,658	16.90

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

None

- **Segregation of Investment Portfolio:**

Particulars	14 January 2010
Held for Trading	-
Held to Maturity	7,260,500,306
Available for sale	5,213,862,525
Total Investment	12,474,362,831