

## DISCLOSURE AS PER BASEL III

## 1. Capital structure and capital adequacy

- Tier 1 capital and breakdown of its components:

Particulars	NPR in 000
Paid up Equity Share Capital	10,695,690
Calls in Advances	-
Share Premium	-
Proposed Bonus Share (including fractions carried forward)	-
Statutory General Reserves	1,771,556
Retained Earnings	427,113
Unaudited Profit for the year	794,194
Capital Redemption Reserve	-
Capital Adjustment Reserve	-
Other Free Reserves	-
<b>Core Capital</b>	<b>13,688,553</b>

- Tier 2 capital and breakdown of its components:

Particulars	NPR in 000
Subordinated Term Debt	2,000,000
General Loan Loss Provision	1,415,353
Exchange Equalization Reserve	31,742
Investment Adjustment Reserves	100
Other Reserve	-
<b>Supplementary Capital</b>	<b>3,447,195</b>

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

10% Laxmi Bank Debenture, 2076

- Outstanding Amount

- Maturity

- Amount eligible for Tier 2 capital fund

NPR 2 Bio

16th November 2029

2 Bio

- Deductions from capital:

Particulars	NPR in 000
Deferred Tax Assets	29,551
Intangible Assets	82,427
Investment in equity of institutions with financial interests	781,804
<b>Total</b>	<b>893,782</b>

- Total qualifying capital:

Particulars	NPR in 000
Tier 1 Capital	13,688,553
Tier 2 Capital	3,447,195
Deductions:	(893,782)
<b>Total Qualifying Capital (Total Capital Fund)</b>	<b>16,241,966</b>

- Capital Adequacy Ratio:

- **12.82%**

- Summary of the bank's internal approach to assess the adequacy of its capital to support current and future activities, if applicable:

The bank's capital management strategy is designed to maximize shareholders value and is adequately capitalized not only to comply with individual capital ratios prescribed by Nepal Rastra Bank but also to fund growth of our assets and operations, absorb potential losses and maintain the confidence of all the stakeholders.

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

- Main feature of the Subordinated debt – 10% Laxmi Bank Debenture 2078:

Name	Laxmi Bank Debenture - 2086
Amount	NPR 2,000,000,000.00 (Two Billion Only)
Interest Rate	10% per annum (before tax) payable half yearly
Type	Unsecured and Redeemable at Maturity. No call/convertible feature.
No. of Debentures	2,000,000 (Two Million Only)
Face Value	NPR 1,000.00
Maturity Period	10 Years
Priority to Debenture Holders	At the time of liquidation, priority of payment to the debenture holders will be after the depositors
Listing	Listed with Nepal Stock Exchange

## 2. Risk exposures

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

Particulars	NPR in 000
Risk weighted exposures for Credit Risk	115,858,339
Risk weighted exposures for Operational Risk	5,678,272
Risk weighted exposures for Market Risk	232,062
% of the total deposit due to insufficient liquid assets	-
3% additional RWE under supervisory review	3,653,060
3% of Gross Income under supervisory review	1,287,078
<b>Total Risk Weighted Exposures</b>	<b>126,708,811</b>

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

Particulars	NPR in 000
a) Claims on government & central bank	-
b) Claims on other official entities	2,891,015
c) Claims on banks	3,569,122
d) Claims on corporate & securities firms	59,860,851
e) Claims on regulatory retail portfolio	13,668,263
f) Claims secured by residential properties	4,338,352
g) Claims secured by commercial real state	1,738,072
h) Past due claims	173,326
i) High risk claims	6,103,279
j) Other assets	5,471,328
k) Off balance sheet items	18,044,732
<b>Total</b>	<b>115,858,339</b>

- Total Risk Weighted Exposure calculation table:

Particulars	NPR in 000
Risk weighted exposures for Credit Risk	115,858,339
Risk weighted exposures for Operational Risk	5,678,272
Risk weighted exposures for Market Risk	232,062
% of the total deposit due to insufficient liquid assets	-
3% additional RWE under supervisory review	3,653,060
2% of Gross Income under supervisory review	1,287,078
<b>Total Risk Weighted Exposures</b>	<b>126,708,811</b>
<b>Total Capital Fund</b>	<b>16,241,966</b>
<b>Total Capital to Total Risk Weighted Exposures</b>	<b>12.82%</b>

- Amount of NPAs (both Gross and Net) (NPR in '000)
  - o Restructured/ Rescheduled Loan
 

§ Gross	NPR 201,224
§ Net	NPR 163,417
  - o Substandard Loan
 

§ Gross	NPR 30,249
§ Net	NPR 22,687
  - o Doubtful Loan
 

§ Gross	NPR 59,455
§ Net	NPR 29,728
  - o Loss Loan
 

§ Gross	NPR 438,594
§ Net	NPR 9,473
  
- NPA ratios
  - o Gross NPA to gross advances
 

§ 0.76%
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  - o Net NPA to net advances
 

§ 0.24%
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- Movement of Non Performing Assets during this quarter (NPR in '000)
 

Addition in Substandard Loan	NPR 30,249
Reduction in Doubtful Loan	NPR 197,748
Addition in Loss Loan	NPR 41,663
  
- Write off of Loans and Interest Suspense (NPR in '000)
 

Write off of Loans	NPR 10,504
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- Movements in Loan Loss Provisions and Interest Suspense during this quarter (NPR in '000)
 

Reduction in Loan Loss Provision (net)	NPR 62,909
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- Details of Additional Loan Loss Provisions (NPR in '000)
 

Additional Loan loss provision	NPR 1,858
<i>(Includes loan loss provision in excess of the regulatory requirement)</i>	
  
- Segregation of Investment portfolio into Held for trading, Held to maturity and Available for sale category (NPR in '000)
 

Held for Trading	NIL
Held to Maturity	NPR 15,226,420
Available for Sale	NPR 2,842,765