Kumari Bank Limited
Disclosure Under Basel II as at 16 July 2010
(Fourth Quarter for F/Y 2009/10)

Capital Structure and Capital Adequacy

Tier I Capital and breakdown of its components

	Particular	Amount
a	Paid Up Equity Share Capital	1,306,015,920
b	Irredeemable Non- cumulative preferenece share	
c	Share premium	
d	Proposed Bonus Equity Share	
e	Statutory General Reserves	172,136,019
f	Retained Earnings	20,727,281
g	Un-audited current period profit (after all provision including tax)	317,027,810
h	Capital Redemption Reserve	115,000,000
i	Capital Adjustment Reserve	-
j	Dividend Equalization Reserves	
k	Other free Reserve	
	Total Tier I Capital	**1,930,907,030**

Tier II Capital and breakdown of its components

	Particular	Amount
a	Cumulative and/or Reedemable Preference Share	
b	Subordinated term debt	400,000,000
	less: Amortization of Subordinate Term Debt	(115,000,000)
c	Hybrid Capital Instuments	-
d	General Loan Loss provision	148,874,979
e	Exchange Equalisation Reserve	5,861,158
f	Investment Adjustment Reserve	-
g	Assets Revaluation Reserve	
h	Other Reserve	6,292,334
Total Capital Fund (Tier I and Tier II)		**446,028,471**

Details of Subordinate Term Debt

The bank has issued Rs. 400 million KBL Bond 2070 in fiscal year 2007/08.
The main features of the bond are as follows

Issue date : June 06, 2008
Maturity date : June 06, 2013
Issue amount : Rs 400 million
Interest payment: Semi annual
Claim in case of liquidation: After depositors
Debentrue Redemption Fund: bank has created Rs.115 million redemption fund by the FY 2009/10

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

	Particular	Amount
a	Tier I Capital	1,930,907,030
b	Tier II Capital	446,028,471
	Total Capital Fund	2,376,935,501

Risk Exposures

Risk weighted exposures under each 11 categories of Credit Risk:

S. No.	Particular	Amount
a	Claims on government and central bank	-
b	Claims on other official entities	89,936,256
c	Claims on banks	258,412,279
d	Claims on Corporate and securities firms	7,036,561,818
e	Regulatory Retail Portfolio	1,381,804,697
f	Claims secured by residential properties	690,377,427
g	Claims secured by Commercial real estate	3,636,375,455
h	Past due claims	89,718,443
i	High Risk claims	1,477,983,265
j	Other Assets	578,812,865
k	Off Balance Sheet Exposures	1,017,880,050
	Total	**16,257,862,554**

Risk Weighted Exposures for Credit Risk, Market Risk and Operational Risk

S. No.	Particular	Amount
1	Risk Weighted Exposure for Credit Risk	16,257,862,554
2	Risk Weighted Exposure for Operational Risk	909,509,917
3	Risk Weighted Exposure for Market Risk	53,876,371
	Total Risk Weighted Exposures	**17,221,248,843**

Total Risk Weighted Exposure Calculation Table

S. No.	Particular	Amount
1	Risk Weighted Exposure for Credit Risk	16,257,862,554
2	Risk Weighted Exposure for Operational Risk	909,509,917
3	Risk Weighted Exposure for Market Risk	53,876,371
4	**Total Risk Weighted Exposures**	**17,221,248,843**
5	**Total Capital Fund**	**2,376,935,501**
6	**Capital Fund to Risk Weighted Exposure**	**13.80**

Amount of Non Performing Loan (Gross and Net)

S. NO.	Loan Type	Gross Amount	Provision	Net Amount
1	Restructure/Reschedule Loan	3,932,578.31	491,572.29	3,441,006
2	Substandard Loan	9,287,840	2,321,960	6,965,880
3	Doubtful Loan	34,178,383	17,089,191	17,089,191
4	Loss Loan	31,183,279	31,183,279	0

NPA Ratios

S. NO.	Particulars	(%)
1	Gross NPAs to Gross Advances	0.53
2	Net NPAs to Net Advances	0.19

Movement of Non Performing Assets

S. NO.	Particular	Previous Quarter	Current Quarter	Additional / (Write back)
1	Non Performing Loans	100,554,523	78,582,080	(21,972,444)

Write Off of Loan and Interest Suspense

S. NO.	Particular	Amount
1	Loan Write Off	352,000
2	Interest Suspense Write Off	

Movement of Loan Loss Provision and Interest Suspense

S. NO.	Particular	Previous Quarter	Current Quarter	Additional
1	Loan Loss Provision	214,443,071	199,960,982	(14,482,089)
2	Interest Suspense	110,029,700	7,973,820	(102,055,880)

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