

**Kumari Bank Limited**  
**Disclosure Under Basel II as at 16 October 2008**  
**( First Quarter for F/Y 2008/09**

**Capital Structure and Capital Adequacy**

**Tier I Capital and breakdown of its components**

	<b>Particular</b>	<b>Amount</b>
a	Paid Up Equity Share Capital	1,078,272,000
b	Irredeemable Non- cumulative preference share	
c	Share premium	
d	Proposed Bonus Equity Share	-
e	Statutory General Reserves	119,847,501
f	Retained Earnings	154,859,482
g	Un-audited current period profit ( after all provision including tax)	56,760,700
h	Capital Redemption Reserve	20,000,000
i	Capital Adjustment Reserve	-
j	Dividend Equalization Reserves	
k	Other free Reserve	
	<b>Total Tier I Capital</b>	<b>1,429,739,683</b>

**Tier II Capital and breakdown of its components**

	<b>Particular</b>	<b>Amount</b>
a	Cumulative and/or Redeemable Preference Share	
b	Subordinated term debt	400,000,000
c	Hybrid Capital Instruments	
d	General Loan Loss provision	123,405,619
e	Exchange Equalisation Reserve	5,853,403
f	Investment Adjustment Reserve	
g	Assets Revaluation Reserve	
h	Other Reserve	
	<b>Total Capital Fund (Tier I and Tier II)</b>	<b>529,259,022</b>

**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

Debenture Redemption Fund: bank has created Rs. 20 million redemption fund in FY 2007/08

**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	1,429,739,683
b	Tier II Capital	529,259,022
	Total Capital Fund	1,958,998,706

### 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	-
c	Claims on banks	470,717,952
d	Claims on Corporate and securities firms	6,168,714,622
e	Regulatory Retail Portfolio	1,343,026,709
f	Claims secured by residential properties	529,742,491
g	Claims secured by Commercial real estate	1,562,968,752
h	Past due claims	145,871,955
i	High Risk claims	2,828,745,152
j	Other Assets	579,984,112
k	Off Balance Sheet Exposures	1,546,329,825
	<b>Total</b>	<b>15,176,101,572</b>

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

S. No.	Particular	Amount
1	Risk Weighted Exposure for Credit Risk	15,176,101,572
2	Risk Weighted Exposure for Operational Risk	709,435,108
3	Risk Weighted Exposure for Market Risk	115,955,357
	<b>Total Risk Weighted Exposures</b>	<b>16,001,492,037</b>

### Total Risk Weighted Exposure Calculation Table

S. No.	Particular	Amount
1	Risk Weighted Exposure for Credit Risk	15,176,101,572
2	Risk Weighted Exposure for Operational Risk	709,435,108
3	Risk Weighted Exposure for Market Risk	115,955,357
4	<b>Total Risk Weighted Exposures</b>	<b>16,001,492,037</b>
5	<b>Total Capital Fund</b>	<b>1,958,998,706</b>
6	<b>Capital Fund to Risk Weighted Exposure</b>	<b>12.24</b>

### Amount of Non Performing Loan (Gross and Net)

S. NO.	Loan Type	Gross Amount	Provision	Net Amount
1	Restructure/Reschedule Loan	6,502,070.75	812,758.84	5,689,312
2	Substandard Loan	78,860,645	19,715,161	59,145,484
3	Doubtful Loan	36,516,043	18,258,021	18,258,021
4	Loss Loan	20,870,494	20,870,494	0

### NPA Ratios

S. NO.	Particulars	(%)
1	Gross NPAs to Gross Advances	1.14
2	Net NPAs to Net Advances	0.67

**Movement of Non Performing Assets**

S. NO.	Particular	Previous Quarter	Current Quarter	Additional
1	Non Performing Loans	190,231,776	142,749,253	(47,482,523)

**Write Off of Loan and Interest Suspense**

S. NO.	Particular	Amount
1	Loan Write Off	131,529
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	187,292,714	183,165,721	(4,126,993)
2	Interest Suspense	59,306,341	90,985,408	31,679,067