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	26,781,163
Calls in Advances	-
Share Premium	-
Proposed Bonus Share (including fractions carried forward)	-
Statutory General Reserves	8,058,411
Retained Earnings	1,418,542
Unaudited Profit for the year	8,536
Capital Redemption Reserve	5,111,111
Capital Adjustment Reserve	-
Other Free Reserves	-
Less: Deduction from Core Capital	*(1,883,916)*
Core Capital	**39,493,847**

- Tier 2 capital and breakdown of its components:

Particulars	NPR in '000
Subordinated Term Debt *0.8 Bio: 10% Laxmi Bank Debenture, 2086 (discounted at 60%)* *2 Bio: 8.50% Laxmi Bank Debenture, 2088* *3 Bio: 7% Laxmi Sunrise Debenture, 2092*	5,800,000
General Loan Loss Provision *(eligible amount)*	4,106,935
Exchange Equalization Reserve	116,149
Investment Adjustment Reserves	53,000
Accrued Interest Receivable on pass loan included in Regulatory Reserve	945,491
Regulatory reserve for non-banking assets recorded within the last 24 months	583,165
Interest Capitalized Reserve included in Regulatory Reserve	311,369
Other Reserve	-
Supplementary Capital	**11,916,109**

- 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.

10.25% Sunrise Bank Debenture, 2083

- Outstanding Amount	NPR 3 Bio
- Maturity	25th Dec 2026
- Amount eligible for Tier 2 capital fund	NIL

10% Laxmi Bank Debenture, 2086

- Outstanding Amount	NPR 2 Bio
- Maturity	16th Nov 2029
- Amount eligible for Tier 2 capital fund	0.8 Bio

8.50% Laxmi Bank Debenture, 2088

- Outstanding Amount	NPR 2 Bio
- Maturity	25th Jul 2031
- Amount eligible for Tier 2 capital fund	2 Bio

7% Laxmi Sunrise Debenture, 2092

- Outstanding Amount	NPR 3 Bio
- Maturity	16th Aug 2036
- Amount eligible for Tier 2 capital fund	3 Bio

- Deductions from capital:

Particulars	NPR in '000
Intangible Assets	137,748
Investment in equity of institutions with financial interests	746,168
Investment in Private Equity	1,000,000
Total	**1,883,916**

- Total qualifying capital:

Particulars	NPR in '000
Tier 1 Capital	39,493,847
Tier 2 Capital	11,916,109
Total Qualifying Capital (Total Capital Fund)	**51,409,956**

- Capital Adequacy Ratio:
  - **11.96%**
- 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 – 10.25% Sunrise Bank Debenture 2083:

Name	10.25% Sunrise Bank Debenture - 2083
Amount	NPR 3,000,000,000.00 (Three Billion Only)
Interest Rate	10.25% per annum (before tax) payable half yearly
Type	Unsecured and Redeemable at Maturity.
No. of Debentures	3,000,000 (Three Million Only)
Face Value	NPR 1,000.00
Maturity Period	7 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

- Main feature of the Subordinated debt – 10% Laxmi Bank Debenture 2086:

Name	10% 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. 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

- Main feature of the Subordinated debt – 8.50% Laxmi Bank Debenture 2088:

Name	8.5% Laxmi Bank Debenture - 2088
Amount	NPR 2,000,000,000.00 (Two Billion Only)
Interest Rate	8.50% per annum (before tax) payable half yearly
Type	Unsecured and Redeemable at Maturity.
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

- Main feature of the Subordinated debt – 7% Laxmi Sunrise Debenture 2092:

Name	7% Laxmi Sunrise Debenture - 2092
Amount	NPR 3,000,000,000.00 (Three Billion Only)
Interest Rate	7% per annum (before tax) payable half yearly
Type	Unsecured and Redeemable at Maturity.
No. of Debentures	3,000,000 (Three 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
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	392,694,130
Risk weighted exposures for Operational Risk	20,335,053
Risk weighted exposures for Market Risk	43,448
% of the total deposit due to insufficient liquid assets	-
3% of Gross Income under supervisory review	4,272,209
3% additional RWE under supervisory review	12,392,179
Total Risk Weighted Exposures	**429,737,019**

- 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	-
c) Claims on banks	13,494,286
d) Claims on corporate & securities firms	181,291,964
e) Claims on regulatory retail portfolio	40,034,380
f) Claims secured by residential properties	13,027,969
g) Claims secured by commercial real state	7,043,903
h) Past due claims	10,765,074
i) High risk claims	22,008,476
j) Other assets	45,292,202
k) Off balance sheet items	59,735,877
Total	**392,694,130**

- Total Risk Weighted Exposure calculation table:

Particulars	NPR in '000
Risk weighted exposures for Credit Risk	392,694,130
Risk weighted exposures for Operational Risk	20,335,053
Risk weighted exposures for Market Risk	43,448
% of the total deposit due to insufficient liquid assets	-
3% of Gross Income under supervisory review	4,272,209
3% additional RWE under supervisory review	12,392,179
Total Risk Weighted Exposures	**429,737,019**
Total Capital Fund	**51,409,956**
Total Capital to Total Risk Weighted Exposures	**11.96%**

- Amount of NPAs (both Gross and Net) *(NPR in '000)*
  - Restructured/ Rescheduled Loan
    - Gross NPR 62,751
    - Net NPR 54,907
  - Substandard Loan
    - Gross NPR 4,004,326
    - Net NPR 3,002,152
  - Doubtful Loan
    - Gross NPR 2,517,093
    - Net NPR 1,264,752
  - Loss Loan
    - Gross NPR 12,077,083
    - Net NPR 116,222
- NPA ratios
  - Gross NPA to gross loans and advances
    - 5.58%
  - Net NPA to net loans and advances
    - 1.40%
- Movement of Non Performing Assets during this quarter (NPR in '000)

Reduction in Restructured / Rescheduled Loan	NPR 3,148
Addition in Substandard Loan	NPR 1,033,403
Addition in Doubtful Loan	NPR 119,023
Addition in Loss Loan	NPR 705,416

- Write off of Loans and Interest Suspense during this quarter (NPR in '000)

Write off of Loans	NIL
Write off of Interest Suspense	NIL

- Movements in Loan Loss Provisions and Interest Suspense during this quarter (NPR in '000)

Addition in Loan Loss Provision (net)	NPR 1,196,810
Addition in Interest Suspense	NPR 11,722

- Details of Additional Loan Loss Provisions (NPR in '000)

Additional Loan loss provision	NIL

(Includes loan loss provision in excess of the regulatory requirement)

- Segregation of Investment portfolio (NPR in '000)

Investment Securities at amortized cost	NPR 99,904,663
Investment Securities at Fair Value through OCI	NPR 10,474,182
Investment in Subsidiaries	NPR 893,168