



एक्सेल डेभलपमेन्ट बैंक लि.

Excel Development Bank Ltd.

आपाईंको स्थानीय साझेदार (Your Local Partner)

नेपाल राष्ट्र बैंकबाट 'ख' वर्गको इजाजतपत्र प्राप्त संस्था (कोशी प्रदेश कार्यक्षेत्र भएकै)



Birtamode, Jhapa
023-533564 | 534010
info@edb.com.np
www.edb.com.np

**DISCLOSURES UNDER CAPITAL ADEQUACY FRAMEWORK 2007
(BASEL II)
AS ON 31 ASHOJ 2082 (17 OCTOBER 2025)**

1. CAPITAL STRUCTURE AND CAPITAL ADEQUACY**I. TIER-1 CAPITAL AND BREAKDOWN OF ITS COMPONENTS:****NPR ('000)**

S.N	Particulars	Amount
1	Paid up Equity Share Capital	1,249,694.47
2	Irredeemable Non-cumulative preference shares	-
3	Share Premium	9,075.47
4	Proposed Bonus Equity Shares	-
5	Statutory General Reserves	267,638.83
6	Retained Earnings	(65,323.94)
7	Un-audited current year cumulative profit/(loss)	-
8	Capital Redemption Reserve	-
9	Capital Adjustment Reserve	-
10	Dividend Equalization Reserves	-
11	Other Free Reserve	-
12	Less: Goodwill	-
13	Less: Deferred Tax Assets	-
14	Less: Fictitious Assets	3,691.27
15	Less: Investment in equity in licensed Financial Institutions	-
16	Less: Investment in equity of institutions with financial interests	-
17	Less: Investment in equity of institutions in excess of limits	-
18	Less: Investments arising out of underwriting commitments	-
19	Less: Reciprocal crossholdings	-
20	Less: Purchase of land & building in excess of limit and unutilized	75,555.48
21	Less: Other Deductions	-
Total Core Capital		1,381,838.09

II. TIER-2 CAPITAL AND A BREAKDOWN OF ITS COMPONENTS:**NPR ('000)**

S. N	Particulars	Amount
1	Cumulative and/or Redeemable Preference Share	-
2	Subordinated Term Debt	-
3	Hybrid Capital Instruments	-
4	General loan loss provision	152,753.52
5	Exchange Equalization Reserve	16.42
6	Investment Adjustment Reserve	-
7	Accrued Interest Receivable on pass loan included in Regulatory Reserve	23,812.54
8	Regulatory reserve for nonbanking assets recorded within the last 24 months	52,782.24
9	Other Reserves	-
Total Supplementary Capital		229,364.71

III. INFORMATION ABOUT SUBORDINATE TERM DEBT

The Bank does not have any subordinated Term Debt

IV. DEDUCTION FROM CAPITAL

NPR ('000)

Particulars	Amount
Deferred Tax Assets	-
Purchase of land & building in excess of limit and unutilized	75,555.48

V. TOTAL QUALIFYING CAPITAL

NPR ('000)

Particulars	Amount
Total Core Capital (Tier I)	1,381,838.09
Total Supplementary Capital (Tier II)	229,364.71
Total Capital Fund (Tier I + Tier II)	1,611,202.80

VI. CAPITAL ADEQUACY RATIO

Particulars	Percentage
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	10.76%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	12.55%

VII. Summary of the bank's internal approach to assess the adequacy of capital to support current and future activities

The bank considers the capital adequacy requirement pursuant to the provision set by NRB. The Tier 1 capital ratio of the bank as at Ashoj end 2082 is 10.76% and the total capital ratio is 12.55%. The bank in its strategic planning cautiously considers the capital adequacy and manage capital adequacy required for the organization's growth.

2. RISK EXPOSURE

i. Risk Weighted Exposure for Credit Risk, Market Risk and Operational Risk

NPR('000)

S.N	Particulars	Amount
a	Risk Weighted Exposure for Credit Risk	11,220,516.24
b	Risk Weighted Exposure for Operational Risk	999,760.18
c	Risk Weighted Exposure for Market Risk	5.40
Total Risk Weighted Exposures (Before adjustments of Pillar II)		12,220,281.81
Adjustments under Pillar II		
SRP 6.4a (5)	ALM policies & practices are not satisfactory, add 1% of net interest income to RWE	-

SRP 6.4a (6)	Add.....% of the total deposit due to insufficient Liquid Assets	-
SRP 6.4a (7)	Add RWE equivalent to reciprocal of capital charge of 2% of gross income	130,190.20
SRP 6.4a (9)	If overall risk management policies and procedures are not satisfactory, Add 3% of RWE	488,811.27
SRP 6.4a (10)	If desired level of disclosure requirement has not been achieved, Add.....% of RWE	-
Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)		12,839,283.29

ii. Risk Weighted Exposure under each 11 Categories of Credit Risk

NPR ('000)

Particulars	Amount
Claims on Government and Central Bank	-
Claims on other official entities	-
Claims on Banks	245,266.38
Claims on Corporate and Securities Entities	1,673,442.44
Claims on Regulatory Retail Portfolio	4,610,508.19
Claims secured by residential properties	1,043,967.75
Claims secured by Commercial real estate	52,421.07
Past due claims	1,033,529.16
High Risk claims	605,720.21
Other Assets	1,742,688.75
Off Balance Sheet Exposures	212,972.30
TOTAL	11,220,516.24

iii. Total Risk Weighted Exposure Calculation Table:

A. Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
	A	B	c	d=a-b-c	e	f=d*e
Cash Balance	260,060.29			260,060.29	0%	-
Balance With Nepal Rastra Bank	883,331.32			883,331.32	0%	-
Gold	-			-	0%	-

A. Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
	A	B	c	d=a-b-c	e	f=d*e
Investment in Nepalese Government Securities	641,661.97			641,661.97	0%	-
All Claims on Government of Nepal	-			-	0%	-
Investment in Nepal Rastra Bank securities	2,300,346.58			2,300,346.58	0%	-
All claims on Nepal Rastra Bank	-			-	0%	-
Claims on Foreign Government and Central Bank (ECA 0-1)	-			-	0%	-
Claims on Foreign Government and Central Bank (ECA -2)	-		-	-	20%	-
Claims on Foreign Government and Central Bank (ECA -3)	-		-	-	50%	-
Claims on Foreign Government and Central Bank (ECA-4-6)	-		-	-	100%	-
Claims on Foreign Government and Central Bank (ECA -7)	-		-	-	150%	-
Claims On BIS, IMF, ECB, EC and MDB's recognized by the framework	-			-	0%	-
Claims on Other Multilateral Development Banks	-		-	-	100%	-
Claims on Domestic Public Sector Entities	-		-	-	100%	-
Claims on Public Sector Entity (ECA 0-1)	-		-	-	20%	-
Claims on Public Sector Entity (ECA 2)	-		-	-	50%	-
Claims on Public Sector Entity (ECA 3-6)	-		-	-	100%	-
Claims on Public Sector Entity (ECA 7)	-		-	-	150%	-
Claims on domestic banks that meet capital adequacy requirements	1,226,331.89		-	1,226,331.89	20%	245,266.38

A. Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
	A	B	c	d=a-b-c	e	f=d*e
Claims on domestic banks that do not meet capital adequacy requirements	5.00	5.00	-	-	100%	-
Claims on foreign bank (ECA Rating 0-1)	-		-	-	20%	-
Claims on foreign bank (ECA Rating 2)	-		-	-	50%	-
Claims on foreign bank (ECA Rating 3-6)	-		-	-	100%	-
Claims on foreign bank (ECA Rating 7)	-		-	-	150%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-		-	-	20%	-
Claims on Domestic Corporates (Credit rating score equivalent to AAA)	-	-	-	-	80%	-
Claims on Domestic Corporates (Credit rating score equivalent to AA+ to AA-)	-	-	-	-	85%	-
Claims on Domestic Corporates (Credit rating score equivalent to A+ to A-)	-	-	-	-	90%	-
Claims on Domestic Corporates (Credit rating score equivalent to BBB+ & below)	-	-	-	-	100%	-
Claims on Domestic Corporates (Unrated)	1,674,027.44		585	1,673,442.44	100%	1,673,442.44
Claims on Foreign Corporates (ECA 0-1)	-		-	-	20%	-
Claims on Foreign Corporates (ECA 2)	-		-	-	50%	-
Claims on Foreign Corporates (ECA 3-6)	-		-	-	100%	-

A. Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
	A	B	c	d=a-b-c	e	f=d*e
Claims on Foreign Corporates (ECA 7)	-		-	-	150%	-
Regulatory Retail Portfolio (Not Overdue)	6,643,304.42		495,960.16	6,147,344.26	75%	4,610,508.19
Claims fulfilling all criterion of regularity retail except granularity	-		-	-	100%	-
Claims secured by residential properties	1,546,368.89		-	1,546,368.89	60%	927,821.34
Claims not fully secured by residential properties	-		-	-	150%	-
Claims secured by residential properties (Overdue)	198,193.54	82,047.12	-	116,146.42	100%	116,146.42
Claims secured by Commercial real estate	52,421.07		-	52,421.07	100%	52,421.07
Past due claims (except for claims secured by residential properties)	1,463,419.15	774,399.71	-	689,019.44	150%	1,033,529.16
High Risk claims	403,913.47		100	403,913.47	150%	605,720.21
Real Estate loans for land acquisition and development (Other than mentioned in Capital Adequacy framework 2007-point 3.3(j)(1)(j))	3,861.16			3,861.16	125%	4,826.45
Lending against Shares	464,036.41			464,036.41	100%	464,036.41
Lending Against Securities (Bonds)	-		-	-	100%	-

A. Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
	A	B	c	d=a-b-c	e	f=d*e
Real Estate loans for land acquisition and development (For institutions/projects registred/licensed and approved by Government of Nepal for land acquisition and development purposes)	97,212.03		-	97,212.03	100%	97,212.03
Personal Hirepurchase/Personal Auto Loans	132,332.80			132,332.80	100%	132,332.80
Investments in equity and other capital instruments of institutions listed in the stock exchange	204,206.30			204,206.30	100%	204,206.30
Investments in equity and other capital instruments of institutions not listed in the stock exchange	17,100.00		-	17,100.00	150%	25,650.00
Staff loan secured by residential property	140,830.43			140,830.43	50%	70,415.22
Interest Receivable/claim on government securities	3,996.50			3,996.50	0%	
Cash in transit and other cash items in the process of collection	-		-	-	20%	-
Other Assets	879,334.85	135,325.31	-	744,009.54	100%	744,009.54
TOTAL (A)	19,236,295.51	991,777.15	496,645.16	17,747,873.20		11,007,543.94

B. Off Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
Revocable Commitments				-	0%	-
Bills Under Collection				-	0%	-
Forward Exchange Contract Liabilities			-	-	10%	-
LC Commitments With Original Maturity Up to 6 months domestic counterparty	874.02		-	874.02	20%	174.80

B. Off Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
Foreign counterparty (ECA Rating 0-1)			-	-	20%	-
Foreign counterparty (ECA Rating 2)			-	-	50%	-
Foreign counterparty (ECA Rating 3-6)			-	-	100%	-
Foreign counterparty (ECA Rating 7)			-	-	150%	-
LC Commitments With Original Maturity Over 6 months domestic counterparty			-	-	50%	-
Foreign counterparty (ECA Rating 0-1)			-	-	20%	-
Foreign counterparty (ECA Rating 2)			-	-	50%	-
Foreign counterparty (ECA Rating 3-6)			-	-	100%	-
Foreign counterparty (ECA Rating 7)			-	-	150%	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	118,540.00		15,072.50	103,467.50	40%	41,387.00
Foreign counterparty (ECA Rating 0-1)			-	-	20%	-
Foreign counterparty (ECA Rating 2)			-	-	50%	-
Foreign counterparty (ECA Rating 3-6)			-	-	100%	-
Foreign counterparty (ECA Rating 7)			-	-	150%	-

B. Off Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
Underwriting commitments			-	-	50%	-
Lending of Bank's Securities or Posting of Securities as collateral			-	-	100%	-
Repurchase Agreements, Assets sale with recourse			-	-	100%	-
Advance Payment Guarantee	-		-	-	100%	-
Financial Guarantee			-	-	100%	-
Acceptances and Endorsements			-	-	100%	-
Unpaid portion of Partly paid shares and Securities			-	-	100%	-
Irrevocable Credit commitments (short term)	857,052.48		-	857,052.48	20%	171,410.50
Irrevocable Credit commitments (long term)			-	-	50%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement				-	20%	-
Other Contingent Liabilities			-		100%	
Unpaid Guarantee Claims			-	-	200%	-
TOTAL(B)	976,466.50	-	15,072.50	961,394.00		212,972.30
Total RWE for credit Risk Before Adjustment (A) +(B)	20,212,762.01	991,777.15	511,717.66	18,709,267.19		11,220,516.24

B. Off Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
<u>Adjustments under Pillar II</u>						
SRP 6.4a(3) - Add 10% of the loans & facilities in excess of Single Obligor Limits to RWE						-
SRP 6.4a(4) - Add 1% of the contract (sale) value in case of the sale of credit with recourse to RWE						-
Total RWE for Credit Risk after Bank's adjustments under Pillar II	20,212,762.01	991,777.15	511,717.66	18,709,267.19		11,220,516.24

iv.Amount of Non-Performing Assets (Gross and Net Amount)

(NPR'000)

Particulars	Gross Amount	Provision	Net Amount
Substandard	420,881.92	106,800.25	314,081.67
Doubtful	141,606.09	72,263.05	69,343.05
Loss	678,750.04	677,383.54	1,366.50
Total	1,241,238.05	856,446.84	384,791.21

v. Non-Performing Assets (NPA) Ratios

Particulars	Percentage
Gross NPA to Gross Advances	9.68%
Net NPA to Net Advances	3.26%

vi. Movement of Non-Performing Assets

(NPR'000)

Particulars	Closing Balance (Ashadh 2082)	Closing Balance (Ashoj 2082)	Movement
Substandard	92,640.89	420,881.92	328,241.03
Doubtful	232,009.66	141,606.09	(90,403.57)
Loss	536,522.91	678,750.04	142,227.13
Total	861,173.45	1,241,238.05	380,064.60

vii. Write off loans and Interest Suspense

The bank has not written off any loans & advances during the first quarter of fiscal year 2082/83.

viii. Movement in Loan Loss Provision**(NPR'000)**

Particulars	Closing Balance (Ashadh 2082)	Closing Balance (Ashoj 2082)	Movement
Pass	117,524.58	105,306.98	(12,217.60)
Watchlist	37,422.83	51,727.94	14,305.11
Substandard	23,114.61	106,800.25	83,685.64
Doubtful	141,859.09	72,263.05	(69,596.05)
Bad	535,156.41	677,383.54	142,227.13
Total	845,573.46	1,013,481.76	158,404.25

ix. Movement in Interest Suspense**(NPR'000)**

Particulars	Closing Balance (Ashadh 2082)	Closing Balance (Ashoj 2082)	Movement
Interest Suspense	344,487.84	330,606.22	(13,881.62)

x. Details of Additional Loan Loss Provision**(NPR'000)**

Particulars	Movement
Pass	-
Watch list	-
Substandard	-
Doubtful	-
Loss	-
Total	-

xi. Segregation of the Bank's Investment portfolio

Investments are segregated as under:

(NPR'000)	
Particulars	Amount
Investment securities measured at amortized cost	2,942,008.54
Investment in equity measured at FVTOCI	618,887.73
Investment in unquoted associates	-
Other Trading Assets	-
Total	3,560,896.27

3. Risk Management Function

The bank has a risk management system to identify, assess, monitor the risk inherent in banking operation such as credit risk, market risk, liquidity risk, operation risk, capital adequacy and provide appropriate directions and guidelines to the management for mitigation of risk. A risk management system incorporating every area has been formed for effective risk management.

i. Credit Risk

The bank has Risk Management Policy, Credit policy Guidelines and standardized form for analyzing the risk and credit worthiness. The bank's Credit Risk Unit is structured for inspection and supervision of loan proposals before the loan approval. Furthermore, delegation of approving authority to various level and compliance of NRB directive is ensured. Risk Weighted Exposure for Credit Risk has been calculated as per NRB Capital Adequacy Framework.

ii. Operation Risk

The bank has formed various policies for mitigating the operation risk like Financial Administration bylaws, Employee Bylaws, Operation Manual, AML/CFT policy. Risk Weighted Exposure for Operation Risk has been calculated as per NRB Capital Adequacy Framework.

iii. Market Risk

Finance Department act proactively to cope up with the market risk. Risk Weighted Exposure for market risk has been calculated as per the NRB capital Adequacy Framework.

iv. Liquidity Risk

To mitigate the liquidity risk, the bank daily monitors the liquidity position. Similarly, periodic review of gap over the assets and liabilities is also performed.

v. Reputational Risk

The management team along with all staffs are responsible for protecting the bank's reputation and ensures bank does not take any activity that may cause material damage to reputation of the bank. Further, the bank also has appointed the information officer.