एक्सेल डेभलपमेन्ट बैंक लि.
Excel Development Bank Ltd. तपाईंको स्थानीय साझेदार (Your Local Partner)
नेपाल राष्ट्र बैंकबाट 'ख' वर्गको इजाजतपत्र प्राप्त संस्था (कोशी प्रदेश कार्यक्षेत्र भएको)
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DISCLOSURES UNDER CAPTAL ADEQUACY FRAMEWORK 2007
(BASEL II)
AS ON 31 ASHOJ 2083 (17 OCTOBER 2026)

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	322,411.33
6	Retained Earnings	148,614.60
7	Un-audited current year cumulative profit/(loss)	
8	Capital Redemption Reserve	
9	Capital Adjustment Reserve	
10	Dividend Equalization Reserves	
11	Other Free Reserve-Transitional Adjustment Amount due to ECL (only Day 1 difference i.e. 1st Shrawan 2081)	
12	Less: Goodwill	
13	Less: Deferred Tax Assets	
14	Less: Fictitious Assets	
15	Less: Investment in equity in licensed Financial Institutions	3,691.27
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	31,100.00
Total Core Capital		**1,619,449.12**

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	163,532.51
5	Exchange Equalization Reserve	15.23
6	Investment Adjustment Reserve	
7	Accrued Interest Receivable on pass loan included in Regulatory Reserve	15,140.09
8	Interest Capitalized Reserve included in Regulatory Reserve	238.54

9	Regulatory reserve for nonbanking assets recorded within the last 24 months	158,695.77
10	Other Reserves	
Total Supplementary Capital		**337,622.13**

III. INFORMATION ABOUT SUBORDINATE TERM DEBT

The Bank does not have any subordinated Term Debt

IV. DEDUCTION FROM CAPITAL

NPR ('000)

Particulars	**Amount**
Fictitious Assets	**3,691.27**
Purchase of land & building in excess of limit and unutilized	**75,555.48**
Other Deductions	**31,100.00**

V. TOTAL QUALIFYING CAPITAL

NPR ('000)

Particulars	**Amount**
Total Core Capital (Tier I)	1,619,449.12
Total Supplementary Capital (Tier II)	337,622.13
Total Capital Fund(Tier I + Tier II)	**1,957,071.25**

VI. CAPITAL ADEQUACY RATIO

Particulars	**Percentage**
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	11.76%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	14.21%

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 2083 is 11.76% and the total capital ratio is 14.21%. 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	12,043,182.88
b	Risk Weighted Exposure for Operational Risk	1,049,185.39
c	Risk Weighted Exposure for Market Risk	99.13

Total Risk Weighted Exposures (Before adjustments of Pillar II)		**13,092,467.40**
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	156,418.00
SRP 6.4a (9)	If overall risk management policies and procedures are not satisfactory, Add 3% of RWE	523,698.70
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)		**13,772,584.10**

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	166,043.91
Claims on Corporate and Securities Entities	1,935,449.79
Claims on Regulatory Retail Portfolio	5,001,968.68
Claims secured by residential properties	1,303,635.58
Claims secured by Commercial real estate	146,533.30
Past due claims	649,335.72
High Risk claims	617,942.49
Other Assets	1,888,805.58
Off Balance Sheet Exposures	333,467.83
TOTAL	**12,043,182.88**

iii. Total Risk Weighted Exposure Calculation Table:

(Rs. in '000)

Particulars	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
	a	b	c	d=a-b-c	e	f=d*e
A. Balance Sheet Exposures						
Cash Balance	269,956.06			269,956.06	0%	-
Balance With Nepal Rastra Bank	1,247,406.14			1,247,406.14	0%	-
Gold				-	0%	-
Investment in Nepalese Government Securities	200,226.85			200,226.85	0%	-
All Claims on Government of Nepal				-	0%	-
Investment in Nepal Rastra Bank securities	3,312,736.13			3,312,736.13	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	830,219.54		-	830,219.54	20%	166,043.91
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			-	-	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)	1,938,634.79	2,600.00	585.00	1,935,449.79	100%	1,935,449.79
Claims on Foreign Corporates (ECA 0-1)			-	-	20%	-
Claims on Foreign Corporates (ECA 2)			-	-	50%	-
Claims on Foreign Corporates (ECA 3-6)			-	-	100%	-
Claims on Foreign Corporates (ECA 7)			-	-	150%	-
Regulatory Retail Portfolio (Not Overdue)	7,629,323.60		960,032.03	6,669,291.57	75%	5,001,968.68
Claims fulfilling all criterion of regularity retail except granularity			-	-	100%	-
Claims secured by residential properties	1,997,327.72		-	1,997,327.72	60%	1,198,396.63
Claims not fully secured by residential properties			-	-	150%	-
Claims secured by residential properties (Overdue)	147,106.43	41,867.48	-	105,238.95	100%	105,238.95

(Rs. in '000)

Particulars	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 secured by Commercial real estate	146,533.30		-	146,533.30	100%	146,533.30
Past due claims (except for claims secured by residential properties)	947,758.95	514,868.46	-	432,890.48	150%	649,335.72
High Risk claims	411,961.66		-	411,961.66	150%	617,942.49
Real Estate loans for land acquisition and development (Other than mentioned in Capital Adequacy framework 2007-point 3.3(j)(1)(j))	32,186.28		-	32,186.28	125%	40,232.85
Lending Against Securities (Bonds)			-	-	100%	-
Lending Against Shares	445,982.25		-	445,982.25	100%	445,982.25
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)	99,390.93		-	99,390.93	100%	99,390.93
Personal Hirepurchase/Personal Auto Loans	75,710.17		-	75,710.17	100%	75,710.17
Investments in equity and other capital instruments of institutions listed in stock exchange	225,400.74		-	225,400.74	100%	225,400.74
Investments in equity and other capital instruments of institutions not listed in the stock	48,200.00	31,100.00	-	17,100.00	150%	25,650.00
Staff loan secured by residential property	134,663.41			134,663.41	**50%**	67,331.70
Interest Receivable/claim on government securities	5,153.09			5,153.09	0%	-
Cash in transit and other cash items in the process of collection				-	20%	-
Loans not exceeding Rs. 30 million to SME's that fulfill the criteria	127,864.21			127,864.21	60%	76,718.53
Other Assets (as per attachment)	955,931.85	123,543.45	-	832,388.39	100%	832,388.39
TOTAL (A)	**21,229,679.11**	**713,984.40**	**960,617.03**	**19,555,077.68**		**11,709,715.05**

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 Upto 6 months domestic counterparty	5,576.69		-	5,576.69	20%	1,115.34
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	122,254.17		15,010.21	107,243.96	40%	42,897.58
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%	-
Underwriting commitments			-	-	50%	-
Lending of Bank's Securities or Posting of Securities as collateral			-	-	100%	-

(Rs. in '000)

Particulars	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
	a	b	c	d=a-b-c	e	f=d*e
Repurchase Agreements, Assets sale with recourse			-	-	20%	-
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)	1,447,274.54		-	1,447,274.54	20%	289,454.91
Irrevocable Credit commitments (long term)			-	-	50%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above				-	20%	-
Other Contingent Liabilities			-	-	100%	-
Unpaid Guarantee Claims			-	-	200%	-
TOTAL (B)	**1,575,105.40**	**-**	**15,010.21**	**1,560,095.19**		**333,467.83**
Total RWE for credit Risk Before Adjustment (A) +(B)	**22,804,784.51**	**713,984.40**	**975,627.24**	**21,115,172.88**		**12,043,182.88**
Adjustments under Pillar II						
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	**22,804,784.51**	**713,984.40**	**975,627.24**	**21,115,172.88**		**12,043,182.88**

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

NPR ('000)

Particulars	Gross Amount	Provision	Net Amount
Substandard	140,287.83	35,037.98	105,249.84
Doubtful	77,459.94	38,721.43	38,738.50
Loss	474,573.45	472,976.53	1,596.92
Total	**692,321.21**	**546,735.94**	**145,585.27**

iv. Non-Performing Assets (NPA) Ratios

Particulars	Percentage
Gross NPA to Gross Advances	4.85%
Net NPA to Net Advances	1.08%

v. Movement of Non-Performing Assets

NPR ('000)

Particulars	Closing Balance (Ashad 2083)	Closing Balance (Ashoj 2083)	Movement
Substandard	81,179.78	140,287.83	59,108.04
Doubtful	136,220.16	77,459.94	(58,760.22)
Loss	413,217.28	474,573.45	61,356.17
Total	**630,617.22**	**692,321.21**	**61,703.99**

vi. Write off loans

The bank has not written off any loans & advances during the First quarter of fiscal year 2083/84.

vii. Movement in Loan Loss Provision

NPR ('000)

Particulars	Closing Balance (Ashad 2083)	Closing Balance (Ashoj 2083)	Movement
Pass	124,310.72	141,956.04	17,645.31
Watchlist	36,051.03	52,241.70	16,190.67
Substandard	20,276.96	35,037.98	14,761.03

Doubtful	68,025.20	38,721.43	(29,303.77)
Bad	411,850.78	472,976.53	61,125.74
Total	**660,514.70**	**740,933.68**	**80,418.98**

viii. Movement in Interest Suspense

NPR('000)

Particulars	Closing Balance (Ashad 2083)	Closing Balance (Ashoj 2083)	Movement
Interest Suspense	198,384.35	204,692.13	6,307.78

ix. Details of Additional Loan Loss Provision

NPR('000)

Particulars	Movement
Pass	-
Watch list	12,600.00
Substandard	-
Doubtful	-
Loss	-
Total	-

x. Segregation of the Bank's Investment portfolio

Investments are segregated as under:

NPR('000)

Particulars	Amount
Investment securities measured at amortized cost	3,512,962.98
Investment in equity measured at FVTOCI	459,101.43
Investment in unquoted associates	-
Other Trading Assets	61,795.42
Total	**4,033,859.83**

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.