

Mahalaxmi Bikas Bank Limited
Capital Adequacy Table
At the month end of Ashadh, 2078

Form No. 1

		(Rs. in '000)	
1. 1 RISK WEIGHTED EXPOSURES		Current Period	Previous Period
a	Risk Weighted Exposure for Credit Risk	36,513,330	36,267,302
b	Risk Weighted Exposure for Operational Risk	2,592,283	2,592,283
c	Risk Weighted Exposure for Market Risk	14,866	13,710
Total Risk Weighted Exposures (Before adjustments of Pillar II)		39,120,479	38,873,296
Adjustments under Pillar II			
SRP 6.4a (5)	ALM policies & practices are not satisfactory, add 1% of net interest in	15,066	
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 inc	444,399	666,599
SRP 6.4a (9)	Overall risk management policies and precedures are not satisfactory	391,205	1,166,199
SRP 6.4a (10)	If desired level of disclosure requirement has not been achieved, Add	-	388,733
Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)		39,971,149	41,094,827
1.2 CAPITAL		Current Period	Previous Period
(A) Core Capital (Tier 1)		4,991,983	4,882,467
a	Paid up Equity Share Capital	3,342,403	3,342,403
b	Irredeemable Non-cumulative preference shares		
c	Share Premium		
d	Proposed Bonus Equity Shares		
e	Statutory General Reserves	1,137,567	1,096,158
f	Retained Earnings	567,638	3,782
g	Un-audited current year cumulative profit/(loss)	-	495,752
h	Capital Redemption Reserve		
i	Capital Adjustment Reserve		
j	Dividend Equalization Reserves		
k	Other Free Reserve		
l	Less: Goodwill		
m	Less: Deferred Tax Assets		
n	Less: Fictitious Assets		
o	Less: Investment in equity in licensed Financial Institutions		
p	Less: Investment in equity of institutions with financial interests		
q	Less: Investment in equity of institutions in excess of limits		
r	Less: Investments arising out of underwriting commitments		
s	Less: Reciprocal crossholdings		
t	Less: Purchase of land & building in excess of limit and unutilized	55,625	55,629
u	Less: Other Deductions		
Adjustments under Pillar II			
SRP 6.4a(1)	Less: Shortfall in Provision	-	
SRP 6.4a(2)	Less: Loans & Facilities extended to related parties and restricted lend	-	
(B) Supplementary Capital (Tier 2) (eligible Rs. 0 only)		471,660	515,359
a	Cumulative and/or Redeemable Preference Share		
b	Subordinated Term Debt		
c	Hybrid Capital Instruments		
d	General loan loss provision	469,986	513,685
e	Exchange Equalization Reserve	1,674	1,674
f	Investment Adjustment Reserve		
g	Asset Revaluation Reserve		
h	Other Reserves		
Total Capital Fund (Tier I and Tier II)		4,991,983	5,397,826
1.3 CAPITAL ADEQUACY RATIOS		Current Period	Previous Period
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)		12.49%	11.88%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures(After Bank's adjustments of Pillar		13.67%	13.14%

Mahalaxmi Bikas Bank Limited
Risk Weighted Exposure for Credit Risk
At the month end of Ashadh, 2078

(Rs. in '000)

A. Balance Sheet Exposures	Book Value	Specific Provision	Net Value	Risk Weight	Risk Weighted Exposures
	a	b	d=a-b-c	e	f=d*e
Cash Balance	664,363		664,363	0%	-
Balance With Nepal Rastra Bank	1,098,204		1,098,204	0%	-
Gold			-	0%	-
Investment in Nepalese Government Securities	6,107,200		6,107,200	0%	-
All Claims on Government of Nepal			-	0%	-
Investment in Nepal Rastra Bank securities			-	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)		0	-	20%	-
Claims on Public Sector Entity (ECA 2)		0	-	50%	-
Claims on Public Sector Entity (ECA 3-6)		0	-	100%	-
Claims on Public Sector Entity (ECA 7)		0	-	150%	-
Claims on domestic banks that meet capital adequacy requirements	2,709,081		2,709,081	20%	541,816
Claims on domestic banks that do not meet capital adequacy requirements			-	100%	-
Claims on foreign bank (ECA Rating 0-1)		0	-	20%	-
Claims on foreign bank (ECA Rating 2)		0	-	50%	-
Claims on foreign bank (ECA Rating 3-6)		0	-	100%	-
Claims on foreign bank (ECA Rating 7)		0	-	150%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1%	2,752		2,752	20%	550
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)	9,117,204	4,500	9,112,704	100%	9,112,704
Claims on Foreign Corporates (ECA 0-1)		0	-	20%	-
Claims on Foreign Corporates (ECA 2)		0	-	50%	-
Claims on Foreign Corporates (ECA 3-6)		0	-	100%	-
Claims on Foreign Corporates (ECA 7)		0	-	150%	-
Regulatory Retail Portfolio (Not Overdue)	15,139,212	580,506	14,558,706	75%	10,919,030
Claims fulfilling all criterion of regularity retail except granularity			-	100%	-
Claims secured by residential properties	3,636,695		3,636,695	60%	2,182,017
Claims not fully secured by residential properties			-	150%	-
Claims secured by residential properties (Overdue)	60,697		60,697	100%	60,697
Claims secured by Commercial real estate	422,135		422,135	100%	422,135
Past due claims (except for claims secured by residential properties)	3,774,040	81,209	3,692,831	150%	5,539,246
High Risk claims	1,396,547	120,104	1,276,443	150%	1,914,665
Lending Against Securities (Bonds & Shares)	1,957,070		1,957,070	100%	1,957,070
Investments in equity and other capital instruments of institutions listed in stock exchange	947,785		947,785	100%	947,785
Investments in equity and other capital instruments of institutions not listed in the stock exchange	2,123		2,123	150%	3,185
Staff loan secured by residential property	43,967		43,967	50%	21,984
Interest Receivable/claim on government securities	37,621		37,621	0%	-
Cash in transit and other cash items in the process of collection			-	20%	-
Other Assets (as per attachment)	3,402,548	1,008,632	-	2,393,915	2,393,915
TOTAL (A)	50,519,245	1,008,632	786,319	48,724,293	36,016,799
B. Off Balance Sheet Exposures	Book Value	Specific Provision	Net Value	Risk Weight	Risk Weighted Exposures
Revocable Commitments			-	0%	-
Bills Under Collection			-	0%	-
Forward Exchange Contract Liabilities			0	10%	-
LC Commitments With Original Maturity Upto 6 months domestic counterparty			0	20%	-
Foreign counterparty (ECA Rating 0-1)			0	20%	-
Foreign counterparty (ECA Rating 2)			0	50%	-
Foreign counterparty (ECA Rating 3-6)			0	100%	-
Foreign counterparty (ECA Rating 7)			0	150%	-
LC Commitments With Original Maturity Over 6 months domestic counterparty			0	50%	-
Foreign counterparty (ECA Rating 0-1)			0	20%	-
Foreign counterparty (ECA Rating 2)			0	50%	-
Foreign counterparty (ECA Rating 3-6)			0	100%	-
Foreign counterparty (ECA Rating 7)			0	150%	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	85,686		85,686	50%	42,843
Foreign counterparty (ECA Rating 0-1)			0	20%	-
Foreign counterparty (ECA Rating 2)			0	50%	-
Foreign counterparty (ECA Rating 3-6)			0	100%	-
Foreign counterparty (ECA Rating 7)			0	150%	-
Underwriting commitments			0	50%	-
Lending of Bank's Securities or Posting of Securities as collateral			0	100%	-
Repurchase Agreements, Assets sale with recourse			-	100%	-
Advance Payment Guarantee			0	100%	-
Financial Guarantee			0	100%	-
Acceptances and Endorsements			0	100%	-
Unpaid portion of Partly paid shares and Securities			0	100%	-
Irrevocable Credit commitments (short term)	1,597,845		1,597,845	20%	319,569
Irrevocable Credit commitments (long term)	226,145		226,145	50%	113,073
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement			0	20%	-
Other Contingent Liabilities	21,046		21,046	100%	21,046
Unpaid Guarantee Claims			-	200%	-
TOTAL (B)	1,930,723	-	1,930,723		496,531
Total RWE for credit Risk Before Adjustment (A) + (B)	52,449,967	1,008,632	786,319	50,655,016	36,513,330
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	52,449,967	1,008,632	786,319	50,655,016	36,513,330