Form No. 1

Mahalaxmi Bikas Bank Ltd.

Capital Adequacy Table

At the month end of Ashad 2077

(Rs. in '000)

1. 1 RISK WEIGHTED EXPOSURES		Current Period	Previous Period
a	Risk Weighted Exposure for Credit Risk	30,429,511.14	31,179,777.49
b	Risk Weighted Exposure for Operational Risk	2,268,100.59	2,268,100.59
c	Risk Weighted Exposure for Market Risk	18,045.09	18,387.47
	Total Risk Weighted Exposures (Before adjustments of Pillar II)	**32,715,656.83**	**33,466,265.56**
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 equvalent to reciprocal of capital charge of 5 % of gross income.*	863,253.30	863,253.30
SRP 6.4a (9)	*Overall risk management policies and precedures are not satisfactory. Add 4% of RWE*	1,308,626.27	1,338,650.62
SRP 6.4a (10)	*If desired level of disclosure requirement has not been achieved, Add .....% of RWE*	981,469.70	1,003,987.97
	Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	**35,869,006.11**	**36,672,157.44**

1.2 CAPITAL		Current Period	Previous Period
(A) Core Capital (Tier 1)		**4,361,910.29**	**3,900,056.62**
a	Paid up Equity Share Capital	3,072,061.33	3,072,061.33
b	Irredeemable Non-cumulative preference shares	-	-
c	Share Premium	-	-
d	Proposed Bonus Equity Shares	-	-
e	Statutory General Reserves	910,270.26	910,270.26
f	Retained Earnings	1,374.02	1,374.02
g	Un-audited current year cumulative profit/(loss)	428,564.67	(33,289.00)
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	50,360.00	50,360.00
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 lending	-	-

(B) Supplementary Capital (Tier 2)		**449,011.65**	**389,432**
a	Cumulative and/or Redeemable Preference Share	-	-
b	Subordinated Term Debt	-	-
c	Hybrid Capital Instruments	-	-
d	General loan loss provision	448,362.58	388,782.83
e	Exchange Equalization Reserve	649.07	649.07
f	Investment Adjustment Reserve	-	-
g	Asset Revaluation Reserve	-	-
h	Other Reserves	-	-
	Total Capital Fund (Tier I and Tier II)	**4,810,921.94**	**4,289,488.52**

1.3 CAPITAL ADEQUACY RATIOS	Current Period	Previous Period
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	12.16%	10.63%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures(After Bank's adjustments of Pillar II)	13.41%	11.70%

Mahalaxmi Bikas Bank Ltd.

Risk Weighted Exposure for Credit Risk

At the month end of Ashad 2077

(Rs. in '000)

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	619,030	-	-	619,030	0%	-
Balance With Nepal Rastra Bank	2,042,219	-	-	2,042,219	0%	-
Gold	-	-	-	-	0%	-
Investment in Nepalese Government Securities	2,931,875	-	-	2,931,875	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)	-	-	-	-	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	5,862,422	-	-	5,862,422	20%	1,172,484
Claims on domestic banks that do not meet capital adequacy requirements	-	-	-	-	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	2,752	-	-	2,752	20%	550
Claims on Domestic Corporates	6,045,524	-	16,000	6,029,524	100%	6,029,524
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)	13,708,562	8,172	1,035,688	12,664,703	75%	9,498,527
Claims fulfilling all criterion of regularity retail except granularity	-	-	-	-	100%	-
Claims secured by residential properties	3,093,398	2,241	-	3,091,158	60%	1,854,695
Claims not fully secured by residential properties	-	-	-	-	150%	-
Claims secured by residential properties (Overdue)	319,571	12,475	-	307,096	100%	307,096
Claims secured by Commercial real estate	1,090,110	-	-	1,090,110	100%	1,090,110
Past due claims (except for claims secured by residential properties)	3,517,822	515,164	18,208	2,984,450	150%	4,476,675
High Risk claims	1,472,921	11,977	111,299	1,349,645	150%	2,024,468
Lending Against Securities (Bonds & Shares)	1,420,086	-	-	1,420,086	100%	1,420,086
Investments in equity and other capital instruments of institutions listed in stock exchange	504,729	-	-	504,729	100%	504,729
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	36,313	-	-	36,313	50%	18,157
Interest Receivable/claim on government securities	29,698	-	-	29,698	0%	-
Cash in transit and other cash items in the process of collection	-	-	-	-	20%	-
Other Assets (as per attachment)	3,097,966	1,501,449	-	1,596,518	100%	1,596,518
TOTAL (A)	**45,797,123**	**2,051,477**	**1,181,196**	**42,564,451**		**29,996,803**

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	-	-	-	-	20%	-
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	59,415.00	-	-	59,415	50%	29,708
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%	-
Repurchase Agreements, Assets sale with recourse	-	-	-	-	100%	-
Advance Payment Guarantee	-	-	-	-	100%	-
Financial Guarantee	50.00	-	-	50	100%	50
Acceptances and Endorsements	-	-	-	-	100%	-
Unpaid portion of Partly paid shares and Securities	-	-	-	-	100%	-
Irrevocable Credit commitments (short term)	1,220,097.00	-	-	1,220,097	20%	244,019
Irrevocable Credit commitments (long term)	156,071.00	-	-	156,071	50%	78,036
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	20%	-
Other Contingent Liabilities	80,895.59	-	-	80,896	100%	80,896
Unpaid Guarantee Claims	-	-	-	-	200%	-
TOTAL (B)	**1,516,528.59**	**-**	**-**	**1,516,528.59**		**432,707.99**
Total RWE for credit Risk Before Adjustment (A) +(B)	**47,313,651.95**	**2,051,477.21**	**1,181,195.61**	**44,080,979.12**		**30,429,511.14**
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	**47,313,651.95**	**2,051,477.21**	**1,181,195.61**	**44,080,979.12**		**30,429,511.14**