

Mahalaxmi Bikas Bank Ltd.
Capital Adequacy Table
At the month end of Ashwin 2077

(Rs. in '000)

1.1 RISK WEIGHTED EXPOSURES		Current Period	Previous Period
a	Risk Weighted Exposure for Credit Risk	30,322,493.14	30,848,328.06
b	Risk Weighted Exposure for Operational Risk	2,610,449.13	2,610,449.13
c	Risk Weighted Exposure for Market Risk	17,138.72	17,752.27
Total Risk Weighted Exposures (Before adjustments of Pillar II)		32,950,081.00	33,476,529.46
Adjustments under Pillar II			
SRP 6.4a (5)	<i>ALM policies & practices are not satisfactory, add 1% of net interest income to RWE</i>	-	-
SRP 6.4a (6)	<i>Add% of the total deposit due to insufficient Liquid Assets</i>	-	-
SRP 6.4a (7)	<i>Add RWE equivalent to reciprocal of capital charge of 3 % of gross income.</i>	677,498.70	677,498.70
SRP 6.4a (9)	<i>Overall risk management policies and precedures are not satisfactory. Add 3% of RWE</i>	988,502.43	1,004,295.88
SRP 6.4a (10)	<i>Desired level of disclosure requirement has not been achieved. Add 1% of RWE</i>	329,500.81	334,765.29
Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)		34,945,582.94	35,493,089.34

1.2 CAPITAL		Current Period	Previous Period
(A) Core Capital (Tier 1)		4,282,684.33	4,253,508.03
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	1,029,435.00	910,270.26
f	Retained Earnings	71,767.00	429,973.65
g	Un-audited current year cumulative profit/(loss)	159,781.00	(108,437.22)
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)	<i>Less: Shortfall in Provision</i>	-	-
SRP 6.4a(2)	<i>Less: Loans & Facilities extended to related parties and restricted lending</i>	-	-

(B) Supplementary Capital (Tier 2)		437,468.86	440,561
a	Cumulative and/or Redeemable Preference Share		
b	Subordinated Term Debt		
c	Hybrid Capital Instruments		
d	General loan loss provision	436,819.79	439,911.83
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)		4,720,153.19	4,694,068.93

1.3 CAPITAL ADEQUACY RATIOS		Current Period	Previous Period
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)		12.26%	11.98%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures(After Bank's adjustments of Pillar II)		13.51%	13.23%

Mahalaxmi Bikas Bank Ltd.
Risk Weighted Exposure for Credit Risk
At the month end of Ashwin 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	546,668			546,668	0%	-
Balance With Nepal Rastra Bank	1,430,128			1,430,128	0%	-
Gold				-	0%	-
Investment in Nepalese Government Securities	3,031,875			3,031,875	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	5,323,174		-	5,323,174	20%	1,064,635
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 (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)	5,774,396		53,700	5,720,696	100%	5,720,696
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)	13,681,690		799,117	12,882,572	75%	9,661,929
Claims fulfilling all criterion of regularity retail except granularity			-	-	100%	-
Claims secured by residential properties	3,199,426		-	3,199,426	60%	1,919,656
Claims not fully secured by residential properties			-	-	150%	-
Claims secured by residential properties (Overdue)	318,060		-	318,060	100%	318,060
Claims secured by Commercial real estate	972,976		-	972,976	100%	972,976
Past due claims (except for claims secured by residential properties)	3,326,523		19,146	3,307,376	150%	4,961,065
High Risk claims	1,286,001		67,252	1,218,750	150%	1,828,125
Lending Against Securities (Bonds & Shares)	1,461,374		-	1,461,374	100%	1,461,374
Investments in equity and other capital instruments of institutions listed in stock exchange	509,394		-	509,394	100%	509,394
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	36,980			36,980	50%	18,490
Interest Receivable/claim on government securities	36,317			36,317	0%	-
Cash in transit and other cash items in the process of collection				-	20%	-
Other Assets (as per attachment)	3,088,678	1,571,447	-	1,517,231	100%	1,517,231
TOTAL (A)	44,028,535	1,571,447	939,215	41,517,873		29,957,364

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	77,712.62		-	77,713	50%	38,856
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			-	-	100%	-
Acceptances and Endorsements			-	-	100%	-
Unpaid portion of Partly paid shares and Securities			-	-	100%	-
Irrevocable Credit commitments (short term)	1,123,731.86		-	1,123,732	20%	224,746
Irrevocable Credit commitments (long term)	160,960.25		-	160,960	50%	80,480
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement				-	20%	-
Other Contingent Liabilities	21,045.97		-	21,046	100%	21,046
Unpaid Guarantee Claims			-	-	200%	-
TOTAL (B)	1,383,451	-	-	1,383,451		365,129
Total RWE for credit Risk Before Adjustment (A) +(B)	45,411,986	1,571,447	939,215	42,901,323		30,322,493
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	45,411,986	1,571,447	939,215	42,901,323		30,322,493