

Capital Adequacy Table

At the month end of Chaitra, 2077

(Rs. in '000)

1.1 RISK WEIGHTED EXPOSURES		Current Period	Previous Period
a	Risk Weighted Exposure for Credit Risk	34,570,261.57	32,262,193.06
b	Risk Weighted Exposure for Operational Risk	2,592,283.16	2,592,283.16
c	Risk Weighted Exposure for Market Risk	14,396.07	14,378.05
Total Risk Weighted Exposures (Before adjustments of Pillar II)		37,176,940.80	34,868,854.26
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 3 % of gross income.	666,599.10	666,599.10
SRP 6.4a (9)	Overall risk management policies and procedures are not satisfactory. Add 3% of RWE	1,115,308.22	1,046,065.63
SRP 6.4a (10)	Desired level of disclosure requirement has not been achieved. Add 1% of RWE	371,769.41	348,688.54
Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)		39,330,617.53	36,930,207.53

1.2 CAPITAL		Current Period	Previous Period
(A) Core Capital (Tier 1)		4,685,145.13	4,630,444.62
a	Paid up Equity Share Capital	3,342,402.73	3,072,061.33
b	Irredeemable Non-cumulative preference shares		
c	Share Premium		
d	Proposed Bonus Equity Shares		
e	Statutory General Reserves	1,071,704.98	1,066,853.92
f	Retained Earnings	3,782.37	432,881.36
g	Un-audited current year cumulative profit/(loss)	322,884.06	114,277.00
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	55,629.00	55,629.00
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)		441,481.16	420,452
a	Cumulative and/or Redeemable Preference Share		
b	Subordinated Term Debt		
c	Hybrid Capital Instruments		
d	General loan loss provision	439,807.08	418,778.30
e	Exchange Equalization Reserve	1,674.09	1,674.09
f	Investment Adjustment Reserve		
g	Asset Revaluation Reserve		
h	Other Reserves		
Total Capital Fund (Tier I and Tier II)		5,126,626.30	5,050,897.00

1.3 CAPITAL ADEQUACY RATIOS		Current Period	Previous Period
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)		11.91%	12.54%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures(After Bank's adjustments of Pillar II)		13.03%	13.68%

Mahalaxmi Bikas Bank Limited
Risk Weighted Exposure for Credit Risk
At the month end of Chaitra, 2077

Form No. 2

(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	554,232.39			554,232.39	0%	-
Balance With Nepal Rastra Bank	1,110,941.52			1,110,941.52	0%	-
Gold				-	0%	-
Investment in Nepalese Government Securities	2,513,875.00			2,513,875.00	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	4,878,795.33		-	4,878,795.33	20%	975,759.07
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	2,752.06		-	2,752.06	20%	550.41
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)	8,772,430.11		53,101.00	8,719,329.11	100%	8,719,329.11
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)	15,032,923.85		599,355.91	14,433,567.94	75%	10,825,175.96
Claims fulfilling all criterion of regularity retail except granularity			-	-	100%	-
Claims secured by residential properties	3,819,309.91		-	3,819,309.91	60%	2,291,585.95
Claims not fully secured by residential properties			-	-	150%	-
Claims secured by residential properties (Overdue)	164,746.72		-	164,746.72	100%	164,746.72
Claims secured by Commercial real estate	434,877.81		-	434,877.81	100%	434,877.81
Past due claims (except for claims secured by residential properties)	2,702,285.68		87,137.03	2,615,148.65	150%	3,922,722.97
High Risk claims	1,476,261.96		56,473.26	1,419,788.70	150%	2,129,683.05
Lending Against Securities (Bonds & Shares)	1,752,247.03		-	1,752,247.03	100%	1,752,247.03
Investments in equity and other capital instruments of institutions listed in stock exchange	586,242.33		-	586,242.33	100%	586,242.33
Investments in equity and other capital instruments of institutions not listed in the stock	2,123.30		-	2,123.30	150%	3,184.95
Staff loan secured by residential property	41,244.45		-	41,244.45	50%	20,622.23
Interest Receivable/claim on government securities	36,730.42		-	36,730.42	0%	-
Cash in transit and other cash items in the process of collection			-	-	20%	-
Other Assets (as per attachment)	3,502,392.61	1,229,679.14	-	2,272,713.47	100%	2,272,713.47
TOTAL (A)	47,384,412.48	1,229,679.14	796,067.20	45,358,666.15		34,099,441.05

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			-	-	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	37,897.50		-	37,897.50	50%	18,948.75
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	47,627.62		-	47,627.62	100%	47,627.62
Acceptances and Endorsements			-	-	100%	-
Unpaid portion of Partly paid shares and Securities			-	-	100%	-
Irrevocable Credit commitments (short term)	1,291,580.12		-	1,291,580.12	20%	258,316.02
Irrevocable Credit commitments (long term)	249,764.30		-	249,764.30	50%	124,882.15
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1%			-	-	20%	-
Other Contingent Liabilities	21,045.97		-	21,045.97	100%	21,045.97
Unpaid Guarantee Claims			-	-	200%	-
TOTAL (B)	1,647,915.51	-	-	1,647,915.51		470,820.51
Total RWE for credit Risk Before Adjustment (A) +(B)	49,032,327.99	1,229,679.14	796,067.20	47,006,581.65		34,570,261.57
<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	49,032,327.99	1,229,679.14	796,067.20	47,006,581.65		34,570,261.57