

Muktinath Bikas Bank Ltd.

Form No. 1

Capital Adequacy Table

At the month end of Poush, 2076

(Rs. in '000)

| 1. 1 RISK WEIGHTED EXPOSURES | | Current Period | Previous Period |
|--|---|----------------------|----------------------|
| a | Risk Weighted Exposure for Credit Risk | 37,934,754.68 | 36,373,562.21 |
| b | Risk Weighted Exposure for Operational Risk | 2,762,298.38 | 2,762,298.38 |
| c | Risk Weighted Exposure for Market Risk | 40,902.38 | 38,496.49 |
| Total Risk Weighted Exposures (Before adjustments of Pillar II) | | 40,737,955.44 | 39,174,357.08 |
| Adjustments under Pillar II | | | |
| SRP 6.4a (5) | Select answer of SRP 6.4a (5) in SRP sheet | - | |
| SRP 6.4a (6) | Add% of the total deposit due to insufficient Liquid Assets | - | |
| SRP 6.4a (7) | Answer the question SRP 6.4a (7) in SRP sheet | - | |
| SRP 6.4a (9) | Answer the question SRP 6.4a (9) in SRP sheet | - | |
| SRP 6.4a (10) | Answer the question SRP 6.4a (9) in SRP sheet | - | |
| Total Risk Weighted Exposures (After Bank's adjustments of Pillar II) | | 40,737,955.44 | 39,174,357.08 |

| 1.2 CAPITAL | | Current Period | Previous Period |
|------------------------------------|---|---------------------|---------------------|
| (A) Core Capital (Tier 1) | | 5,289,145.81 | 4,438,331.05 |
| a | Paid up Equity Share Capital | 4,324,989.49 | 3,064,760.12 |
| b | Irredeemable Non-cumulative preference shares | | |
| c | Share Premium | 64,012.14 | - |
| d | Proposed Bonus Equity Shares | | |
| e | Statutory General Reserves | 582,484.00 | 582,484.00 |
| f | Retained Earnings | 24,286.50 | 705,631.00 |
| g | Un-audited current year cumulative profit/(loss) | 442,873.69 | 234,955.92 |
| h | Capital Redemption Reserve | | |
| i | Capital Adjustment Reserve | | |
| j | Dividend Equalization Reserves | | |
| k | Other Free Reserve | 40,281.18 | 48,611.87 |
| l | Less: Goodwill | | |
| m | Less: Deferred Tax Assets | 40,281.18 | 48,611.87 |
| n | Less: Fictitious Assets | | |
| o | Less: Investment in equity in licensed Financial Institutions | | |
| p | Less: Investment in equity of institutions with financial interests | 117,500.00 | 117,500.00 |
| q | Less: Investment in equity of institutions in excess of limits | 32,000.00 | 32,000.00 |
| r | Less: Investments arising out of underwriting commitments | | |
| s | Less: Reciprocal crossholdings | | |
| t | Less: Purchase of land & building in excess of limit and unutilized | | |
| u | Less: Other Deductions | | |
| Adjustments under Pillar II | | | |
| SRP 6.4a(1) | Answer the question SRP 6.4a (1) in SRP sheet | - | |
| SRP 6.4a(2) | Answer the question SRP 6.4a (2) in SRP sheet | - | |

| (B) Supplementary Capital (Tier 2) | | 473,512.10 | 458,047 |
|--|---|---------------------|---------------------|
| a | Cumulative and/or Redeemable Preference Share | | |
| b | Subordinated Term Debt | | |
| c | Hybrid Capital Instruments | | |
| d | General loan loss provision | 471,973.50 | 453,374.89 |
| e | Exchange Equalization Reserve | 38.60 | 38.60 |
| f | Investment Adjustment Reserve | 1,500.00 | 4,633.57 |
| g | Asset Revaluation Reserve | | |
| h | Other Reserves | | |
| Total Capital Fund (Tier I and Tier II) | | 5,762,657.91 | 4,896,378.10 |

| 1.3 CAPITAL ADEQUACY RATIOS | | Current Period | Previous Period |
|---|--|----------------|-----------------|
| Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II) | | 12.98% | 11.33% |
| Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures(After Bank's adjustments of Pillar II) | | 14.15% | 12.50% |