

**Multipurpose Finance Limited**  
**Rajbiraj**  
**Disclosure under Basel-II**  
**For Quarter Ending on Ashwin End 2080**

**1. Capital Adequacy Ratios**

Particulars	Ratio
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	41.88%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures(After Bank's adjustments of Pillar II)	44.53%

**2. Total Qualifying Capital**

Particulars	Amount '000'
Core Capital Fund (Tier-I)	652,709.60
Supplementary Capital (Tier-II)	41,274.18
<b>Total Capital Fund</b>	<b>693,983.78</b>

**Core Capital Fund (Tier-I) and breakdown of its components**

1.2 Capital		Current Period
(A) Core Capital (Tier 1)		652,709.60
a	Paid up Equity Share Capital	595,922.70
b	Irredeemable Non-cumulative preference shares	
c	Share Premium	
d	Proposed Bonus Equity Shares	
e	Statutory General Reserves	25,934.77
f	Retained Earnings	(2,330.76)
g	Un-audited current year cumulative profit/(loss)	6,580.48
h	Capital Redemption Reserve	
i	Capital Adjustment Reserve	26,602.41
j	Debenture Redemption Reserve	
k	Dividend Equalization Reserves	
l	Other Free Reserve	
m	Less: Goodwill	
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	
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	

**Supplementary Capital (Tier-II) and breakdown of its components**

<b>(B) Supplementary Capital (Tier 2)</b>		<b>41274.18</b>
a	Cumulative and/or Redeemable Preference Share	
b	Subordinated Term Debt	
c	Hybrid Capital Instruments	
d	General loan loss provision	16336.52
e	Exchange Equalization Reserve	
f	Investment Adjustment Reserve	
g	Asset Revaluation Reserve	24937.66
h	Other Reserves	
<b>Total Capital Fund (Tier I and Tier II)</b>		<b>693,983.78</b>

**Risk Weighted Exposures**

<b>1.1 Risk Weighted Exposures</b>		<b>Current Period</b>
a	Risk Weighted Exposure for Credit Risk	1,423,138.48
b	Risk Weighted Exposure for Operational Risk	71,414.61
c	Risk Weighted Exposure for Market Risk	
<b>Total Risk Weighted Exposures (Before adjustments of Pillar II)</b>		<b>1,494,553.09</b>

<b>Adjustments under Pillar II</b>		
SRP 6.4a (5)	ALM policies & practices are not satisfactory, add 1% of net interest income to RWE	493.45
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.	18519.2
SRP 6.4a (9)	Overall risk management policies and precedures are not satisfactory. Add 3% of RWE	44836.59
SRP 6.4a (10)	Desired level of disclosure requirement has not been achieved. Add 1% of RWE	
<b>Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)</b>		<b>1,558,402.33</b>

A. Balance Sheet Exposures	Book Value (a)	Specific Provision (b)	Eligible CRM ( c )	Net Value (d=a-b-c)	Risk Weight ( e )	Risk Weighted Exposures (f=d*e)
Cash Balance	26,358.29			26,358.29	0%	-
Balance With Nepal Rastra Bank	88,871.79			88,871.79	0%	-
Gold				-	0%	-
Investment in Nepalese Government Securities	66,963.48			66,963.48	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 0-2)				-	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	472,121.20			472,121.20	20%	94,424.24
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				-	20%	-
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)				-	100%	-
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)	1,126,556.10			1,126,556.10	75%	844,917.08
Claims fulfilling all criterion of regularity retail except granularity				-	100%	-

Claims secured by residential properties	40,551.68			40,551.68	60%	24,331.01
Claims not fully secured by residential properties				-	150%	-
Claims secured by residential properties (Overdue)				-	100%	-
Claims secured by Commercial real estate				-	100%	-
Past due claims (except for claims secured by residential properties)				-	150%	-
High Risk claims	21,195.36		21,195.36	-	150%	-
Lending Against Securities (Bonds)				-	100%	-
Lending Against Shares(upto Rs. 5 Million)				-	100%	-
Real Estate loans for land acquisition and development (For institutions/projects registred/licensed and approved by Government of Nepal for land acquisition and development purposes)				-	100%	-
Personal Hirepurchase/Personal Auto Loans (upto Rs. 2.5 Million)	5,330.66			5,330.66	125%	6,663.33
Personal Hirepurchase/Personal Auto Loans (above Rs. 2.5 Million)				-	100%	-
Investments in equity and other capital instruments of institutions listed in stock exchange				-	100%	-
Staff loan secured by residential property	7,274.01			7,274.01	50%	3,637.01
Interest Receivable/claim on government securities	17,973.90			17,973.90	0%	-
Cash in transit and other cash items in the process of collection				-	20%	-
Other Assets (as per attachment)	447,165.83			447,165.83	100%	447,165.83
<b>TOTAL (A)</b>	<b>2,320,362.30</b>	<b>-</b>	<b>21,195.36</b>	<b>2,299,166.94</b>		<b>1,421,138.48</b>

<b>B. Off Balance Sheet Exposures</b>	<b>Book Value (a)</b>	<b>Specific Provision (b)</b>	<b>Eligible CRM ( c )</b>	<b>Net Value (d=a-b-c)</b>	<b>Risk Weight ( e )</b>	<b>Risk Weighted Exposures (f=d*e)</b>
Revocable Commitments				-	0%	-
Bills Under Collection				-	0%	-
Forward Exchange Contract Liabilities				-	0%	-
LC Commitments With Original Maturity Upto 6 months domestic counterparty				-	0%	-
Foreign counterparty (ECA Rating 0-1)				-	0%	-
Foreign counterparty (ECA Rating 2)				-	0%	-
Foreign counterparty (ECA Rating 3-6)				-	0%	-
Foreign counterparty (ECA Rating 7)				-	0%	-
LC Commitments With Original Maturity Over 6 months domestic counterparty				-	0%	-
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				-	0%	-
Foreign counterparty (ECA Rating 0-1)				-	100%	-
Foreign counterparty (ECA Rating 2)				-	100%	-
Foreign counterparty (ECA Rating 3-6)				-	20%	-
Foreign counterparty (ECA Rating 7)				-	50%	-
Underwriting commitments				-	100%	-
Lending of Bank's Securities or Posting of Securities as collateral				-	150%	-
Repurchase Agreements, Assets sale with recourse				-	40%	-
Advance Payment Guarantee				-	100%	-
Financial Guarantee	2,000.00			2,000.00	100%	2,000.00
Acceptances and Endorsements				-	150%	-
Unpaid portion of Partly paid shares and Securities				-	20%	-
Irrevocable Credit commitments (short term)				-	80%	-
Irrevocable Credit commitments (long term)				-	85%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement				-	90%	-
Other Contingent Liabilities				-	100%	-
Unpaid Guarantee Claims				-	20%	-
<b>TOTAL (B)</b>	<b>2,000.00</b>	<b>-</b>	<b>-</b>	<b>2,000.00</b>		<b>2,000.00</b>

<b>Total RWE for credit Risk Before Adjustment (A) +(B)</b>	<b>2,322,362.30</b>	<b>-</b>	<b>21,195.36</b>	<b>2,301,166.94</b>		<b>1,423,138.48</b>
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**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						
<b>Total RWE for Credit Risk after Bank's adjustments under Pillar II</b>	<b>2,322,362.30</b>		<b>21,195.36</b>	<b>2,301,166.94</b>		<b>1,423,138.48</b>

**Amount of Non-Performing Loan**

<b>Particulars</b>	<b>Loan</b>	<b>Provision</b>	<b>Net NPA</b>
Restructured/Reschedule			
Sub standard	1,028,857.45	257,214.36	771,643.09
Doubtful	7,591,836.03	3,795,918.02	3,795,918.02
Bad Loan	5,955,233.67	5,955,233.67	-
<b>Non-Performing Loan</b>	<b>14,575,927.15</b>	<b>10,008,366.05</b>	<b>4,567,561.11</b>

**NPA Ratios**

Particulars	Gross NPA	Net NPA
Performing Loan to Total Loan	0.9878	0.9961
NPL to Total Loan	0.0122	0.0039

**Movement of Loan Loss Provision**

Particulars	Amount
Total LLP 2080.04.01 (Opening Balance)	21,822,611.59
Total LLP 2080.06.30	26,344,878.61
LLP Booked till 2080.03.31	26,344,878.61
Add LLP to be Booked/(Write back) till 2080.06.30	4,522,267.02

**Movement of Non-Performing Loan**

Particulars	Amount
Total NPL 2080.04.01 (Opening Balance)	9,522,818.61
Additional NPL in FY 2080-081	5,053,108.54
Total NPL 2080.06.30	14,575,927.15

**Movement of Interest Suspense**

Particulars	Amount
Opening Interest Suspense	7943494.2
Interest Addition	10030410.23
Interest Suspense as on 2080.06.30	17973904.43

**Segregation of investment portfolio into Held for trading, Held to maturity and Available for sale category**

Particulars	Amount
Held for Trading	-
Held for Maturity	66,963,480.00
Available for Sale	160,400,077.48
<b>Total</b>	<b>227,363,557.48</b>