

**Multipurpose Finance Limited**  
**Rajbiraj**  
**Disclosure under Basel-II**  
**For 3<sup>rd</sup> Quarter Ending on Chaitra End 2081**

**1. Capital Adequacy Ratios**

Particulars	Ratio
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	20.75%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures(After Bank's adjustments of Pillar II)	21.34%

**2. Total Qualifying Capital**

Particulars	Amount '000'
Core Capital Fund (Tier-I)	579,647.67
Supplementary Capital (Tier-II)	16,532.68
<b>Total Capital Fund</b>	<b>596,180.35</b>

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

1.2 Capital		Current Period
(A) Core Capital (Tier 1)		579,647.67
a	Paid up Equity Share Capital	610,200.00
b	Irredeemable Non-cumulative preference shares	
c	Share Premium	10,540.72
d	Proposed Bonus Equity Shares	
e	Statutory General Reserves	24,549.94
f	Retained Earnings	17,881.74
g	Un-audited current year cumulative profit/(loss)	21,647.42
h	Capital Redemption Reserve	
i	Capital Adjustment Reserve	
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	97,561.30
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	7,610.84
<b>Adjustments under Pillar II</b>		
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>16,532.68</b>
a	Cumulative and/or Redeemable Preference Share	
b	Subordinated Term Debt	
c	Hybrid Capital Instruments	
d	General loan loss provision	16,532.68
e	Exchange Equalization Reserve	
f	Investment Adjustment Reserve	
g	Asset Revaluation Reserve	
h	Other Reserves	
<b>Total Capital Fund (Tier I and Tier II)</b>		<b>596,180.35</b>

**Risk Weighted Exposures**

<b>1.1 Risk Weighted Exposures</b>		<b>Current Period</b>
a	Risk Weighted Exposure for Credit Risk	2,610,446.84
b	Risk Weighted Exposure for Operational Risk	106,242.27
c	Risk Weighted Exposure for Market Risk	
<b>Total Risk Weighted Exposures (Before adjustments of Pillar II)</b>		<b>2,716,689.11</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	868.48
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.	21,685.50
SRP 6.4a (9)	Overall risk management policies and precedures are not satisfactory. Add 3% of RWE	54,333.78
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>2,793,576.88</b>

Rs in '000						
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	27,563.87			27,563.87	0%	-
Balance With Nepal Rastra Bank	124,942.63			124,942.63	0%	-
Gold				-	0%	-
Investment in Nepalese Government Securities	848,304.32			848,304.32	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	380,381.10			380,381.10	20%	76,076.22
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)			29,091.88	-	75%	-
Claims fulfilling all criterion of regularity retail except granularity	1,574,172.38	82,057.71		1,492,114.66	100%	1,492,114.66
Claims secured by residential properties	29,727.33	297.27		29,430.06	60%	17,658.04
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	252,544.82	5605.08214		246,939.73	150%	370,409.60

Real Estate loans for land acquisition and development (Other than mentioned in Capital Adequacy framework 2007-point 3.3(j)(1)(j))					125%	
Lending against Shares(above Rs.5 Million)					125%	
Lending Against Securities (Bonds)				-	100%	-
Lending Against Shares(upto Rs. 5 Million)				-	100%	-
Real Estate loans for land acquisition and development (For institutions/projects registered/licensed and approved by Government of Nepal for land acquisition and development purposes)				-	100%	-
Personal Hirepurchase/Personal Auto Loans	5,778.88	57.79		5,721.09	100%	5,721.09
Investments in equity and other capital instruments of institutions listed in stock exchange	218,336.04			218,336.04	100%	218,336.04
Investments in equity and other capital instruments of institutions not listed in the stock exchange	106,694.50			106,694.50	150%	160,041.75
Staff loan secured by residential property	3,910.49			3,910.49	50%	1,955.25
Interest Receivable/claim on government securities				-	0%	-
Cash in transit and other cash items in the process of collection				-	20%	-
Other Assets (as per attachment)	257,947.18			257,947.18	100%	257,947.18
<b>TOTAL (A)</b>	<b>3,830,303.52</b>	<b>88,017.86</b>	<b>29,091.88</b>	<b>3,742,285.66</b>		<b>2,600,259.82</b>

B. Off 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)
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				-	100%	-
Acceptances and Endorsements				-	150%	-
Unpaid portion of Partly paid shares and Securities				-	20%	-
Irrevocable Credit commitments (short term)	50,935.06			50,935.06	20%	10,187.01
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>50,935.06</b>	<b>-</b>	<b>-</b>	<b>50,935.06</b>		<b>10,187.01</b>

<b>Total RWE for credit Risk Before Adjustment (A) + (B)</b>	<b>3,881,238.58</b>	<b>88,017.86</b>	<b>29,091.88</b>	<b>3,793,220.72</b>		<b>2,610,446.84</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>3,881,238.58</b>	<b>88,017.86</b>	<b>29,091.88</b>	<b>3,793,220.72</b>		<b>2,610,446.84</b>

**Amount of Non-Performing Loan**

Particulars	Loan	Provision	Net NPA
Restructured/Reschedule			
Sub standard	19,443,688.47	4,860,922.12	14,582,766.35
Doubtful	35,795,016.61	17,897,508.31	17,897,508.31
Bad Loan	43,200,947.51	43,200,947.51	-
<b>Non-Performing Loan</b>	<b>98,439,652.59</b>	<b>65,959,377.93</b>	<b>32,480,274.66</b>

**NPA Ratios**

Particulars	Gross NPA	Net NPA
Performing Loan to Total Loan	94.71	98.17
NPL to Total Loan	5.29	1.83

**Movement of Loan Loss Provision**

Particulars	Amount
Total LLP 2081.04.01 (Opening Balance)	59,482,276.00
Total LLP 2081.12.31	88,017,858.18
LLP Booked till 2081.12.31	78,154,074.49
Add LLP to be Booked/(Write back) till 2081.12.31	<b>28,535,582.18</b>

**Movement of Non-Performing Loan**

Particulars	Amount
Total NPL 2081.04.01 (Opening Balance)	64,553,156.63
Additional NPL in FY 2081-082	33,886,495.96
Total NPL 2081.12.31	98,439,652.59

**Movement of Interest Suspense**

Particulars	Amount
Opening Interest Suspense	18,261,366.01
Interest Addition	12,866,672.67
Interest Suspense as on 2081.12.31	31,128,038.68

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

Particulars	Amount
Held for Trading	-
Held for Maturity	848,304,315.50
Available for Sale	325,030,544.92
<b>Total</b>	<b>1,173,334,860.42</b>