

**Manjushree Finance Limited**  
**Disclosure Under Basel II**  
**As at Poush End, 2081**

**1 CAPITAL STRUCTURE & CAPITAL ADEQUACY**

<b>A.</b>	<b>Core Capital (Tier I)</b>	<b>2,061,982.33</b>
a	Paid up Equity Share Capital	1,351,552.85
b	Irredeemable Non-cumulative preference shares	-
c	Share Premium	-
d	Proposed Bonus Equity Shares	-
e	Statutory General Reserves	359,480.59
f	Retained Earnings	89,101.40
g	Un-audited current year cumulative profit/(loss)	117,079.56
h	Capital Redemption Reserve	166,666.67
i	Capital Adjustment Reserve	-
j	Dividend Equalization Reserves	-
k	<b>Other Free Reserve</b>	-
l	Less: Goodwill	-
m	Less: Deferred Tax Assets	19,302.86
n	Less: Fictitious Assets/ Intangible Assets	2,595.87
o	<b>Less: Investment in equity in licensed Financial Institutions</b>	-
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	<b>Less: Purchase of land &amp; building in excess of limit and unutilized</b>	-
u	Less: Other Deductions	-
<b>B.</b>	<b>Supplementary Capital (Tier 2)</b>	<b>324,610.88</b>
a	Cumulative and/or Redeemable Preference Share	-
b	Subordinated Term Debt	-
c	Hybrid Capital Instruments	
d	General loan loss provision	199,995.55
e	Exchange Equalization Reserve	-
f	Investment Adjustment Reserve	-
g	Asset Revaluation Reserve	-
h	Other Reserves	124,615.33
	<b>Total Capital Fund (Tier I and Tier II)</b>	<b>2,386,593.21</b>

Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	12.89%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures(After Bank's adjustments of Pillar II)	14.92%

## 2 Risk Exposure

<b>RISK WEIGHTED EXPOSURES</b>		<b>Current Priod</b>
a	Risk Weighted Exposure for Credit Risk	14,448,236.67
b	Risk Weighted Exposure for Operational Risk	1,071,404.94
c	Risk Weighted Exposure for Market Risk	-
d	<b>Adjustments under Pillar II</b>	
	Add: RWE equivalent to reciprocal of capital charge of 2 % of gross income.	169,609.90
	Add: Overall risk management policies and procedures are not satisfactory. Add 2% of RWE	310,392.84
<b>Total Risk Weighted Exposures</b>		<b>15,999,644.36</b>

## 3 Risk Weighted Exposure under each 11 Categories of Credit Risk

<b>A. Balance Sheet Exposure</b>	<b>Risk Weighted Exposure</b>	
1	Claims on Government and Central Bank	-
2	Claims on Other Official Entities	-
3	Claims on domestic banks that meet capital adequacy requirements	193,837.57
4	Claims on Domestic Corporates (Unrated)	833,099.72
5	Claims on regulatory retail portfolio	5,389,247.36
6	Claims secured by residential properties	3,397,154.43
7	Claims fulfilling all criterion of regularity retail except granularity	547,229.30
8	Personal Hirepurchase/Personal Auto Loans	115,127.19
9	Personal Hirepurchase/Personal Auto Loans (above Rs. 2.5 Million)	-
10	Lending against Shares(above Rs.5 Million)	548,298.12
11	High risk claims	2,049,220.15
12	Lending Against Shares(upto Rs. 5 Million)	199,739.88
13	Claims secured by Commercial real estate	267,604.58
14	<b>Other Assets</b>	
a.	Investments in equity and other capital instruments of institutions listed in stock exchange	
b.	Staff loan secured by residential property	130,243.74
c.	Other Assets	878,749.68
15	<b>Off- Balance Sheet Exposures</b>	320.00
16	<b>Irrevocable Credit commitments (short term)</b>	54,911.88
	<b>Total RWE for Credit Risk</b>	<b>14,604,783.60</b>

## 4 Eligible Credit Risk Mitigation

<b>Eligible Credit Risk Mitigations</b>	<b>Amount</b>
Deposit with Banks	156,546.92
Govt. & NRB Securities	
<b>Total Eligible CRM</b>	<b>156,546.92</b>

**5 Amount of Non Performing Assets (Gross Net )**

	Particulars	Gross	Provision	Net
A	Restructured	-		
B	Sub-standard	257,543.73	64,385.93	193,157.80
C	Doubtful	116,878.33	58,439.16	58,439.16
D	Loss	297,692.53	297,692.53	0.00
	<b>Total</b>	<b>672,114.58</b>	<b>420,517.62</b>	<b>251,596.96</b>

**6 Non Performing Assets (NPA Ratios)**

NPA Ratio	
Gross NPA to Gross Advances	3.86%
Net NPA to Net Advances	1.50%

**7 Movement in Non Performing Assets**

Particulars	This Quarter	Previous Quarter	Change %
Non Performing Assets	672,114.58	534,532.02	25.74
Non Performing Assets %	3.86%	3.12%	0.74%

**8 Write off of Loans and Interest in the Quarte (NRs. '000')**

Particulars	Amount
Write off Loans During the Quarter	13,564.48
Write off Interest Suspense during the Quarter	-

**9 Movement of Loan Loss provision and Interest Suspense**

Particulars	This Quarter	Previous Quarter	Change %
Loan Loss Provision	668,182.07	569,301.77	17.37%
Interest Suspense	185,867.80	324,646.56	-42.75%

**10 Details of Additional Loan Loss Provision**

Particulars	This Quarter	Previous Quarter	Movement
Additional Loan Loss Provision	98,880.30	24,310.14	74,570.16

**11 Segregation of Investment Portfolio**

Particulars	This Quarter End
Held For Trading	-
Held to Maturity	4,335,136.44
Available for Sale	-