

Disclosure under Basel II
Machhapuchchhre Bank Limited
As at 4th quarter End (Ashad) 2072 -73

1. Capital Structure and Capital Adequacy

Tier 1 Capital and a breakdown of its components

		NPR(In Million)
	Particulars	Amount
a	Paid up Equity Share Capital	3,864.54
b	Irredeemable non-cumulative preference shares	
c	Share Premium	112.79
d	Proposed Bonus Equity Share	
e	Statutory General Reserve	424.04
f	Retained Earnings	3.59
g	Un-audited current year cumulative profit	891.81
h	Capital Redemption Reserve	
i	Capital Adjustment Reserve	
j	Dividend Equalization Reserve	
k	Other Free Reserve	52.94
l	Less : Goodwill	
m	Less :Deferred Tax Assets	52.94
n	Less : Fictitious Assets	7.67
o	Less : Investment in equity in licensed Financial Institutions	
p	Less : Investment in equity of institutions with Financial interests	15.00
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	4.88
u	less : Other Deductions	
	Total Tier 1 Capital	5,269.22

Tier 2 Capital and a breakdown of its component

		NPR(In Million)
	Particulars	Amount
a	Cumulative and/or Redeemable Preference Shares	0.00
b	Subordinated Term Debt	0.00
c	Hybrid Capital Instruments	0.00
d	General Loan Loss Provision	457.05
e	Exchange Equalization Reserve	10.81
f	Investment Adjustment Reserve	15.48
g	Assets Revaluation Reserve	0.00
h	Other Reserves	0.00
	Total Tier 2 Capital	483.33

2. Information about Subordinated Term Debts

The Bank has not issued any Subordinated Term Debts

3. Deductions from capital

		NPR(In Million)
	Particulars	Amount
a	Miscellaneous Expenditure not written off	-
	Total	-

4. Total qualifying capital

NPR(In Million)

	Particulars	Amount
a	Core Capital (Tier 1)	5,269.22
b	Supplementary Capital (Tier 2)	483.33
	Total Capital Fund	5,752.55

5. Capital adequacy ratio

12.23%

6. Risk weighted exposures for Credit Risk, Market Risk and Operational Risk

NPR(In Million)

	RISK WEIGHTED EXPOSURES	Amount
a	Risk Weighted Exposure for Credit Risk	43,101.67
b	Risk Weighted Exposure for Operational Risk	2,212.29
c	Risk Weighted Exposure for Market Risk	26.90
	Add RWE equivalent to reciprocal of capital charge of 2 % of gross income.	343.40
	Add: 3% of the total RWE add by Supervisory Review	1,360.23
	Total Risk Weighted Exposures	47,044

7. Risk Weighted Exposures under each of 11 categories of Credit Risk

NPR(In Million)

S.N.	Categories	Risk Weighted Exposures
1	Claims on government and central Bank	-
2	Claims on other official entities	-
3	Claims on Banks	1,348.52
4	Claims on corporate and securities firm	23,068.44
5	Claims on regulatory retail portfolio	8,979.41
6	Claim secured by residential properties	3,500.78
7	Claims secured by commercial real state	579.50
8	Past due Claims	149.48
9	High risk claims	916.04
10	Other Assets	2,151.73
11	Off Balance sheet Items	2,407.77
	Total	43,101.66

8. Total risk weighted exposure calculation table

NPR(In Million)

S.N.	Particulars	Amount
1	Total Risk Weighted Exposure	47,044.48
2	Total Core Capital Fund (Tier 1)	5,269.22
3	Total Capital Fund (Tier 1 & Tier 2)	5,752.55
4	Total Core Capital to Total Risk Weighted Exposures	11.20%
5	Total Capital to Total Risk Weighted Exposures	12.23%

9. Amount of NPAs (both Gross and Net)

NPR(In Million)

S.N.	Loan Classification	Gross Amount	Provision	Net Amount
	Restructured Loan	1.47	0.18	1.29
	Substandard Loan	122.19	30.55	91.64
	Doubtful Loan	15.14	7.57	7.57
	Loss Loan	102.70	102.70	0.00
	Total	241.50	141.00	100.50

10. NPA Ratios

Gross NPA to Gross Loans and Advances	0.55%
Net NPA to Net Loans and Advances	0.23%

11. Movement of NPA

S. N	Loan Classification	This Quarter	Previous Quarter	Change (%)
1	Restructured Loan	1.47	0.00	0.00%
2	Sub-standard Loan	122.19	198.57	-38.46%
3	Doubtful Loan	15.14	28.22	-46.36%
4	Loss Loan	102.70	112.24	-8.50%
		241.50	339.03	-28.77%

decreased by 97.54 million

12. Write off of loans & Interest suspense

NPR(In Million)

S.N.	Particulars	Amount
1	Write Off of Loans	
2	Write Off of interest suspense	
	Total	-

13. Movement in Loan loss provisions and interest suspense

NPR(In Million)

S.N.	Particulars	This quarter	Previous Quarter	Change (%)
1	Loan Loss provision	598	599	-0.10%
2	Interest Suspense	168	168	0.41%

14. Detail of additional Loan Loss provision

NPR(In Million)

S.N.	Loan Loss provision	This quarter	Previous Quarter	Change
1	Pass loan	434.2	386.91	47.31
2	Watchlist	22.8	35.73	-12.90
2	Restructured Loan	0.2	0.00	0.18
3	Substandard Loan	30.5	49.64	-19.09
4	Doubtful Loan	7.6	14.11	-6.54
5	Loss Loan	102.7	112.24	-9.54
	Total	598.05	598.64	(0.59)

15. Segregation of investment portfolio

NPR(In Million)

S.N.	Particulars	Gross Amount
1	Held For Trading	Nil
2	Held To Maturity:	6007.96
2.1	Investment in treasury bills	1452.48
2.2	Investment in Govt. bonds	3171.90
2.3	Investment in Other bonds	1358.71
2.4	Investment others	24.87
3	Available For Sale:	0.00
3.1	Investment in equity	0.00