

**Disclosure under Basel II**  
**Machhapuchchhre Bank Limited**  
As at Second Quarter End, Poush 2069 (F.Y. 2069/70)

**1. Capital Structure and Capital Adequacy**

**Tier 1 capital and a breakdown of its components;**

NPR

	<b>Particulars</b>	<b>Amount</b>
a	Paid up Equity Share Capital	2,478,794,560
b	Irredeemable non-cumulative preference shares	-
c	Share Premium	-
d	Proposed Bonus Equity Share	-
e	Statutory General Reserve	180,112,847
f	Retained Earnings	-199,954,427
g	Un-audited current year cumulative profit	32,966,209
h	Capital Redemption Reserve	-
i	Capital Adjustment Reserve	-
j	Dividend Equalization Reserve	-
k	Other Free Reserve	177,709,324
l	Less : Goodwill	-
m	Less : Fictitious Assets	-9,843,591
n	Less : Investment in equity in licensed Financial Institutions	-
o	Less : Investment in equity of institutions with Financial interests	-
p	Less : Investment in equity of institutions in excess of limits	-
q	Less : Investments arising out of underwriting commitments	-
r	Less : Reciprocal crossholdings	-
s	less : Other Deductions	-
	<b>Total Tier 1 Capital</b>	<b>2,659,784,923</b>

**Tier 2 capital and a breakdown of its components;**

NPR

	<b>Particulars</b>	<b>Amount</b>
a	Cumulative and/or Redeemable Preference Shares	-
b	Subordinated Term Debt	-
c	Hybrid Capital Instruments	-
d	General Loan Loss Provision	180,128,932
e	Exchange Equalization Reserve	10,726,032
f	Investment Adjustment Reserve	688,390
g	Assets Revaluation Reserve	-
h	Other Reserves	-
	<b>Total Tier 2 Capital</b>	<b>191,543,354</b>

## 2. Information about Subordinated Term Debts

The Bank has not issued any Subordinated Term Debts

## 3. Deductions from capital

NPR

	Particulars	Amount
a	Miscellaneous Expenditure not written off	9,843,591
	<b>Total</b>	<b>9,843,591</b>

## 4. Total qualifying capital

NPR

	Particulars	Amount
a	Core Capital (Tier 1)	2,659,784,923
b	Supplementary Capital (Tier 2)	191,543,354
	<b>Total Capital Fund</b>	<b>2,851,328,277</b>

## 5. Capital adequacy ratio

13.52%

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

NPR

	RISK WEIGHTED EXPOSURES	Amount
a	Risk Weighted Exposure for Credit Risk	19,384,860,952
b	Risk Weighted Exposure for Operational Risk	1,056,839,938
c	Risk Weighted Exposure for Market Risk	28,522,000
	Add: 3% of the total RWE add by Supervisory Review	614,106,687
	<b>Total Risk Weighted Exposures</b>	<b>21,084,329,576</b>

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

NPR

S.N.	Categories	Risk Weighted Exposures
1	Claims on government and central Bank	-
2	Claims on other official entities	149,353,125
3	Claims on Banks	518,885,089
4	Claims on corporate and securities firm	9,980,768,218
5	Claims on regulatory retail portfolio	2,876,470,559
6	Claim secured by residential properties	637,129,802
7	Claims secured by commercial real state	2,168,814,861

8	Past due Claims	191,324,665
9	High risk claims	203,106,862
10	Other Assets	1,336,848,947
11	Off Balance sheet Items	1,322,158,826
	<b>Total</b>	<b>19,384,860,952</b>

## 8. Total risk weighted exposure calculation table

NPR

S.N.	Particulars	Amount
1	Total Risk Weighted Exposure	21,084,329,576
2	Total Core Capital Fund (Tier 1)	2,659,784,923
3	Total Capital Fund (Tier 1 & Tier 2)	2,851,328,277
4	Total Core Capital to Total Risk Weighted Exposures	12.61%
5	Total Capital to Total Risk Weighted Exposures	13.52%

## 9. Amount of NPAs (both Gross and Net)

NPR

S.N.	Loan Classification	Gross Amount	Provision	Net Amount
1	Restructured Loan	35,064,667	4,383,083	30,681,584
2	Substandard Loan	77,397,107	19,349,277	58,047,830
3	Doubtful Loan	83,567,742	41,843,871	41,723,871
4	Loss Loan	376,322,336	376,322,336	-
	<b>Total</b>	<b>572,351,852</b>	<b>441,898,567</b>	<b>130,453,285</b>

## 10. NPA Ratios

Gross NPA to Gross Loans and Advances	3.07%
Net NPA to Net Loans and Advances	0.73%

## 11. Movement of NPA

NPR

S.N.	Loan Classification	This Quarter	Previous Quarter	% Change
	Restructured Loan	35,064,667	35,025,773	0.11%
	Substandard Loan	77,397,107	54,660,819	41.60%
	Doubtful Loan	83,567,742	55,568,610	50.39%
	Loss Loan	376,322,336	343,717,678	9.49%
	<b>Total</b>	<b>572,351,852</b>	<b>488,972,880</b>	<b>17.05%</b>

Non performing assets increased by Rs. 83,378,973 during the quarter.

**12. Write off of loans & Interest suspense up to this quarter**

NPR

S.N.	Particulars	Amount
1	Write Off of Loans	-
2	Write Off of interest suspense	-
	<b>Total</b>	<b>-</b>

**13. Movement in Loan loss provisions and interest suspense**

NPR

S.N.	Particulars	This quarter	Previous Quarter	Change (%)
1	Loan Loss provision	627,907,499	560,227,225	12.08%
2	Interest Suspense	264,142,000	229,708,278	14.99%

**14. Detail of additional Loan Loss provision**

NPR

S.N.	Loan Loss provision	This quarter	Previous Quarter	Change
1	Pass loan	186,008,932	170,681,816	15,327,116
2	Restructured Loan	4,383,083	4,378,222	4,862
3	Substandard Loan	19,349,277	13,665,205	5,684,072
4	Doubtful Loan	41,843,871	27,784,305	14,059,566
5	Loss Loan	376,322,336	343,717,678	32,604,659
	<b>Total</b>	<b>627,907,499</b>	<b>560,227,225</b>	<b>67,680,275</b>

**15. Segregation of investment portfolio**

NPR

S.N.	Particulars	Gross Amount
<b>1</b>	<b>Held For Trading</b>	<b>Nil</b>
<b>2</b>	<b>Held To Maturity;</b>	<b>2,350,158,402</b>
2.1	Investment in treasury bills	1,895,544,922
2.2	Investment in Govt. bonds	43,494,340
2.3	Investment in Other bonds	50,000,000
2.4	Investment others	361,119,140
<b>3</b>	<b>Available For Sale;</b>	<b>20,500,366</b>
3.1	Investment in equity	20,500,366