

Disclosure under Basel III
Machhapuchchhre Bank Limited
As at 4th Quarter End (Ashad) 2074 -75

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	8,055.69
b	Share Premium	30.88
c	Proposed Bonus Equity Share	0.00
d	Statutory General Reserve	864.19
e	Retained Earnings	17.83
f	Un-audited current year cumulative profit	1,206.95
g	Capital Redemption Reserve	0.00
h	Capital Adjustment Reserve	0.00
i	Dividend Equalization Reserve	0.00
j	Other Free Reserve	18.63
k	Less : Goodwill	0.00
l	Less: Intangible Assets	45.44
m	Less :Deferred Tax Assets	18.63
n	Less : Fictitious Assets	2.46
o	Less : Investment in equity in licensed Financial Institutions	0.00
p	Less : Investment in equity of institutions with Financial interests	15.00
q	Less : Investment in equity of institutions in excess of limits	0.00
r	Less : Investments arising out of underwriting commitments	0.00
s	Less : Reciprocal crossholdings	0.00
t	less : Purchase of Land & building in excess of limit and unutilized	4.88
u	Less: Cash Flow Hedge	0.00
v	Less: Defined Benefits Pension Assets	0.00
w	Less: Unrecognized Defined Benefit Pension Liabilities	0.00
x	less : Other Deductions	0.00
Total Tier 1 Capital		10,107.77

Tier 2 capital and a breakdown of its components;

		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	Stock Premium	0.00
e	General Loan Loss Provision	653.83
f	Exchange Equalization Reserve	9.28
g	Investment Adjustment Reserve	16.95
h	Assets Revaluation Reserve	0.00
i	Other Reserves	0.00
Total Tier 2 Capital		680.06

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	Intangible Assets	45.44
b	Deferred Tax Assets	18.63
c	Miscellaneous Expenditure not written off	2.46
d	Investment in equity of institutions with Financial interests	15.00
e	Purchase of Land & building in excess of limit and unutilized	4.88
Total		86.41

4. Total qualifying capital

NPR(In Million)

Particulars		Amount
a	Core Capital (Tier 1)	10,107.77
b	Supplementary Capital (Tier 2)	680.06
Total Capital Fund		10,787.83

5. Capital adequacy ratio

15.60%

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	63,031.42
b	Risk Weighted Exposure for Operational Risk	3,488.74
c	Risk Weighted Exposure for Market Risk	30.76
Add RWE equivalent to reciprocal of capital charge of 2 % of gross income.		588.40
Add: 3% of the total RWE add by Supervisory Review		1,996.53
Total Risk Weighted Exposures		69,135.85

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	0.00
2	Claims on other official entities	0.00
3	Claims on Banks	949.15
4	Claims on corporate and securities firm	24,794.49
5	Claims on regulatory retail portfolio	23,697.83
6	Claim secured by residential properties	4,050.12
7	Claims secured by commercial real state	970.06
8	Past due Claims	102.19
9	High risk claims	2,413.22
10	Other Assets	2,207.71
11	Off Balance sheet Items	3,846.65
Total		63,031.42

8. Total risk weighted exposure calculation table

NPR(In Million)

S.N.	Particulars	Amount
1	Total Risk Weighted Exposure	69,135.85
2	Total Core Capital Fund (Tier 1)	10,107.77
3	Total Capital Fund (Tier 1 & Tier 2)	10,787.83
4	Total Core Capital to Total Risk Weighted Exposures	14.62%
5	Total Capital to Total Risk Weighted Exposures	15.60%

9. Amount of NPAs (both Gross and Net)

NPR(In Million)

S.N.	Loan Classification	Gross Amount	Provision	Net Amount
1	Restructured Loan	2.37	0.30	2.08
2	Substandard Loan	84.76	21.19	63.57
3	Doubtful Loan	28.80	14.40	14.40
4	Loss Loan	127.90	127.90	0.00
Total		243.83	163.79	80.04

10. NPA Ratios

Gross NPA to Gross Loans and Advances	0.38%
Net NPA to Net Loans and Advances	0.13%

11. Movement of NPA

S. N	Loan Classification	This Quarter	Previous Quarter	Change (%)
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1	Restructured Loan	2.37	2.40	-1.10%
2	Sub-standard Loan	84.76	50.38	68.23%
3	Doubtful Loan	28.80	20.76	38.70%
4	Loss Loan	127.90	141.82	-9.81%
		243.83	215.36	13.22%

NPA Increased (in million) 28.47

12. Write off of loans & Interest suspense

NPR(In Million)

S.N.	Particulars	Amount
1	Write Off of Loans	0.00
2	Write Off of interest suspense	0.00
	Total	0.00

13. Movement in Loan loss provisions and interest suspense

NPR(In Million)

S.N.	Particulars	This quarter	Previous Quarter	Change (%)
1	Loan Loss provision	817.62	777.78	5.12%
2	Interest Suspense	281.63	252.46	11.55%

14. Detail of additional Loan Loss provision

NPR(In Million)

S.N.	Loan Loss provision	This quarter	Previous Quarter	Change
1	Pass loan	638.07	595.73	42.33
2	Watchlist	15.76	25.71	-9.94
2	Restructured Loan	0.30	1.82	-1.52
3	Substandard Loan	21.19	9.38	11.81
4	Doubtful Loan	14.40	14.82	-0.42
5	Loss Loan	127.90	130.32	-2.42
	Total	817.62	777.78	39.84

15. Segregation of investment portfolio

NPR(In Million)

S.N.	Particulars	Gross Amount
1	Held For Trading	Nil
2	Held To Maturity:	10,575.16
2.1	Investment in treasury bills	958.02
2.2	Investment in Govt. bonds	6,671.90
2.3	Investment in Other bonds	0.00
2.4	Investment others	2,945.25
3	Available For Sale:	127.75
3.1	Investment in equity	127.75