

**Disclosure under Basel II**  
**Machhapuchchhre Bank Limited**  
As at First Quarter End, Ashwin 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	173,547,519
f	Retained Earnings	-76,046,346
g	Un-audited current year cumulative profit	6,732,331
h	Capital Redemption Reserve	-
i	Capital Adjustment Reserve	-
j	Dividend Equalization Reserve	-
k	Other Free Reserve	-
l	Less : Goodwill	-
m	Less : Fictitious Assets	-10,835,001
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>2,572,193,063</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	164,801,816
e	Exchange Equalization Reserve	9,192,711
f	Investment Adjustment Reserve	1,688,390
g	Assets Revaluation Reserve	-
h	Other Reserves	29,257,392
	<b>Total Tier 2 Capital</b>	<b>204,940,309</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	10,835,001
	<b>Total</b>	<b>9,843,591</b>

## 4. Total qualifying capital

NPR

	Particulars	Amount
a	Core Capital (Tier 1)	2,572,193,063
b	Supplementary Capital (Tier 2)	204,940,309
	<b>Total Capital Fund</b>	<b>2,777,133,372</b>

## 5. Capital adequacy ratio

14.31%

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

NPR

	RISK WEIGHTED EXPOSURES	Amount
a	Risk Weighted Exposure for Credit Risk	17,694,884,031
b	Risk Weighted Exposure for Operational Risk	1,093,886,108
c	Risk Weighted Exposure for Market Risk	50,835,500
	Add: 3% of the total RWE add by Supervisory Review	565,188,169
	<b>Total Risk Weighted Exposures</b>	<b>19,404,793,808</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	150,321,875
3	Claims on Banks	371,742,349
4	Claims on corporate and securities firm	8,994,702,054
5	Claims on regulatory retail portfolio	2,712,749,061
6	Claim secured by residential properties	539,401,791
7	Claims secured by commercial real state	1,970,327,117

8	Past due Claims	151,392,292
9	High risk claims	190,935,467
10	Other Assets	1,293,471,007
11	Off Balance sheet Items	1,319,841,019
	<b>Total</b>	<b>17,694,884,032</b>

## 8. Total risk weighted exposure calculation table

NPR

S.N.	Particulars	Amount
1	Total Risk Weighted Exposure	19,404,793,808
2	Total Core Capital Fund (Tier 1)	2,572,193,063
3	Total Capital Fund (Tier 1 & Tier 2)	2,777,133,372
4	Total Core Capital to Total Risk Weighted Exposures	13.26%
5	Total Capital to Total Risk Weighted Exposures	14.31%

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

NPR

S.N.	Loan Classification	Gross Amount	Provision	Net Amount
1	Restructured Loan	35,025,773	4,378,222	30,647,551
2	Substandard Loan	54,660,819	13,665,205	40,995,614
3	Doubtful Loan	55,568,610	27,784,305	27,784,305
4	Loss Loan	343,717,678	343,717,678	-
	<b>Total</b>	<b>488,972,880</b>	<b>389,545,410</b>	<b>99,427,470</b>

## 10. NPA Ratios

Gross NPA to Gross Loans and Advances	2.88%
Net NPA to Net Loans and Advances	0.61%

## 11. Movement of NPA

NPR

S.N.	Loan Classification	This Quarter	Previous Quarter	% Change
	Restructured Loan	35,025,773	35,000,000	0.07%
	Substandard Loan	54,660,819	39,222,532	39.36%
	Doubtful Loan	55,568,610	164,983,508	-66.32%
	Loss Loan	343,717,678	216,744,704	58.58%
	<b>Total</b>	<b>488,972,880</b>	<b>455,950,744</b>	<b>7.24%</b>

Non performing assets increased by Rs. 33,022,136 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	560,227,225	475,307,917	17.87%
2	Interest Suspense	229,708,278	216,852,021	5.93%

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

NPR

S.N.	Loan Loss provision	This quarter	Previous Quarter	Change
1	Pass loan	170,681,816	161,890,826	8,790,990
2	Restructured Loan	4,378,222	4,375,000	3,222
3	Substandard Loan	13,665,205	9,805,633	3,859,572
4	Doubtful Loan	27,784,305	82,491,754	-54,707,449
5	Loss Loan	343,717,678	216,744,704	126,972,974
	<b>Total</b>	<b>560,227,226</b>	<b>475,307,917</b>	<b>84,919,309</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>2,282,958,858</b>
2.1	Investment in treasury bills	2,000,739,578
2.2	Investment in Govt. bonds	43,882,600
2.3	Investment in Other bonds	50,000,000
2.4	Investment others	188,336,680
<b>3</b>	<b>Available For Sale;</b>	<b>20,500,366</b>
3.1	Investment in equity	20,500,366