

Disclosure under Basel III
Machhapuchchhre Bank Limited

As at 2nd Quarter End (Poush) 2073 -74

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	4,666.43
b	Share Premium	
c	Proposed Bonus Equity Share	
d	Statutory General Reserve	603.69
e	Retained Earnings	2.55
f	Un-audited current year cumulative profit	575.31
g	Capital Redemption Reserve	
h	Capital Adjustment Reserve	
i	Dividend Equalization Reserve	
j	Other Free Reserve	1,218.46
k	Less : Goodwill	
l	Less: Intangible Assets	45.59
m	Less :Deferred Tax Assets	43.65
n	Less : Fictitious Assets	6.79
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: Cash Flow Hedge	
v	Less: Defined Benefits Pension Assets	
w	Less: Unrecognized Defined Benefit Pension Liabilities	
x	Less : Other Deductions	
	Total Tier 1 Capital	6,950.52

Tier 2 Capital and a breakdown of its components;

		NPR(In Million)
	Particulars	Amount
a	Cumulative and/or Redeemable Preference Shares	
b	Subordinated Term Debt	
c	Hybrid Capital Instruments	
d	General Loan Loss Provision	541.27
e	Exchange Equalization Reserve	8.79
f	Investment Adjustment Reserve	15.10
g	Assets Revaluation Reserve	
h	Other Reserves	
	Total Tier 2 Capital	565.16

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)	6,950.52
b	Supplementary Capital (Tier 2)	565.16
	Total Capital Fund	7,515.68

5. Capital Adequacy Ratio

13.81%

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	49,632.27
b	Risk Weighted Exposure for Operational Risk	2,721.73
c	Risk Weighted Exposure for Market Risk	43.77
	Add RWE equivalent to reciprocal of capital charge of 2 % of gross income.	463.00
	Add: 3% of the total RWE add by Supervisory Review	1,571.93
	Total Risk Weighted Exposures	54,433

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	1,198.48
4	Claims on corporate and securities firm	26,716.71
5	Claims on regulatory retail portfolio	10,837.98
6	Claim secured by residential properties	4,072.31
7	Claims secured by commercial real state	850.86
8	Past due Claims	70.42
9	High risk claims	1,259.79
10	Other Assets	2,064.69
11	Off Balance sheet Items	2,561.04
	Total	49,632.27

8. Total Risk Weighted Exposure calculation table

NPR(In Million)

S.N.	Particulars	Amount
1	Total Risk Weighted Exposure	54,432.70
2	Total Core Capital Fund (Tier 1)	6,950.52
3	Total Capital Fund (Tier 1 & Tier 2)	7,515.68
4	Total Core Capital to Total Risk Weighted Exposures	12.77%
5	Total Capital to Total Risk Weighted Exposures	13.81%

9. Amount of NPAs (both Gross and Net)

NPR(In Million)

S.N.	Loan Classification	Gross Amount	Provision	Net Amount
	Restructured Loan	1.34	0.17	1.17
	Substandard Loan	50.93	12.73	38.19
	Doubtful Loan	20.07	10.04	10.04
	Loss Loan	107.91	107.89	0.02
	Total	180.24	130.82	49.42

10. NPA Ratios

Gross NPA to Gross Loans and Advances	0.35%
Net NPA to Net Loans and Advances	0.10%

11. Movement of NPA

S. N	Loan Classification	This Quarter	Previous Quarter	Change (%)
1	Restructured Loan	1.34	1.41	0.00%
2	Sub-standard Loan	50.93	136.92	-62.81%
3	Doubtful Loan	20.07	24.04	-16.52%
4	Loss Loan	107.91	105.09	2.68%
		180.24	267.45	-32.61%

NPA decreased (in million) 87.21

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	668	675	-1.10%
2	Interest Suspense	157	163	-3.67%

14. Detail of additional Loan Loss provision

NPR(In Million)

S.N.	Loan Loss provision	This quarter	Previous Quarter	Change
1	Pass loan	506.3	488.19	18.09
2	Watchlist	30.7	35.53	-4.86
2	Restructured Loan	0.2	0.18	-0.01
3	Substandard Loan	12.7	34.23	-21.50
4	Doubtful Loan	10.0	12.02	-1.99
5	Loss Loan	107.9	103.82	4.07
	Total	667.78	673.97	(6.19)

15. Segregation of Investment Portfolio

NPR(In Million)

S.N.	Particulars	Gross Amount
1	Held For Trading	Nil
2	Held To Maturity:	6384.76
2.1	Investment in treasury bills	1229.07
2.2	Investment in Govt. bonds	3171.90
2.3	Investment in Other bonds	218.20
2.4	Investment others	1765.59
3	Available For Sale:	0.00
3.1	Investment in equity	0.00