

Disclosure under Basel III
Machhapuchchhre Bank Limited
As at 4th Quarter End (Ashad) FY 2073 -74

1. Capital Structure and Capital Adequacy

Tier 1 Capital and a breakdown of its components;

		NPR(In Million)
S.N	Particulars	Amount
a	Paid up Equity Share Capital	6,598.70
b	Share Premium	79.48
c	Proposed Bonus Equity Share	0.00
d	Statutory General Reserve	603.69
e	Retained Earnings	2.55
f	Un-audited current year cumulative profit	1,301.03
g	Capital Redemption Reserve	0.00
h	Capital Adjustment Reserve	0.00
i	Dividend Equalization Reserve	0.00
j	Other Free Reserve	506.08
k	Less : Goodwill	0.00
l	Less : Intangible Assets	43.59
m	Less :Deferred Tax Assets	43.65
n	Less : Fictitious Assets	4.39
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		8,980.03

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	General Loan Loss Provision	549.07
e	Exchange Equalization Reserve	8.79
f	Investment Adjustment Reserve	15.10
g	Assets Revaluation Reserve	0.00
h	Other Reserves	0.00
Total Tier 2 Capital		572.96

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	4.39
b	Deferred Tax Assets	43.65
Total		48.04

4. Total qualifying capital

		NPR(In Million)
Particulars	Amount	
a	Core Capital (Tier 1)	8,980.03
b	Supplementary Capital (Tier 2)	572.96
Total Capital Fund		9,552.98

5. Capital adequacy ratio

17.78%

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	48,910.91
b	Risk Weighted Exposure for Operational Risk	2,721.73
c	Risk Weighted Exposure for Market Risk	83.81
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		1,551.49
Total Risk Weighted Exposures		53,730.94

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	1,474.86
4	Claims on corporate and securities firm	25,135.78
5	Claims on regulatory retail portfolio	11,180.96
6	Claim secured by residential properties	4,114.02
7	Claims secured by commercial real state	812.53
8	Past due Claims	63.08
9	High risk claims	1,445.15
10	Other Assets	2,040.37
11	Off Balance sheet Items	2,644.15
Total		48,910.91

8. Total risk weighted exposure calculation table

NPR(In Million)

S.N.	Particulars	Amount
1	Total Risk Weighted Exposure	53,730.94
2	Total Core Capital Fund (Tier 1)	8,980.03
3	Total Capital Fund (Tier 1 & Tier 2)	9,552.98
4	Total Core Capital to Total Risk Weighted Exposures	16.71%
5	Total Capital to Total Risk Weighted Exposures	17.78%

9. Amount of NPAs (both Gross and Net)

NPR(In Million)

S.N.	Loan Classification	Gross Amount	Provision	Net Amount
	Restructured Loan	3.69	0.46	3.23
	Substandard Loan	38.36	9.59	28.77
	Doubtful Loan	30.10	15.05	15.05
	Loss Loan	121.73	121.73	0.00
	Total	193.87	146.83	47.04

10. NPA Ratios

Gross NPA to Gross Loans and Advances	0.37%
Net NPA to Net Loans and Advances	0.09%

11. Movement of NPA

S. N	Loan Classification	This Quarter	Previous Quarter	Change (%)
1	Restructured Loan	3.69	3.77	-2.22%
2	Sub-standard Loan	38.36	54.04	-29.02%
3	Doubtful Loan	30.10	18.21	65.26%
4	Loss Loan	121.73	113.29	7.45%
	Total	193.87	189.31	2.41%

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	692.77	700.98	-1.17%
2	Interest Suspense	193	200.62	-3.89%

14. Detail of additional Loan Loss provision

NPR(In Million)

S.N.	Loan Loss provision	This quarter	Previous Quarter	Change
1	Pass loan	509.42	519.7	-10.28
2	Watchlist	36.52	44.9	-8.37
2	Restructured Loan	0.46	0.5	-0.01
3	Substandard Loan	9.59	13.5	-3.92
4	Doubtful Loan	15.05	9.1	5.94
5	Loss Loan	121.73	113.3	8.44
Total		692.77	700.98	-8.21

15. Segregation of investment portfolio

NPR(In Million)

S.N.	Particulars	Gross Amount
1	Held For Trading	Nil
2	Held To Maturity:	2,416.13
2.1	Investment in treasury bills	932.80
2.2	Investment in Govt. bonds	72.80
2.3	Investment in Other bonds	206.30
2.4	Investment others	1,204.23
3	Available For Sale:	117.75
3.1	Investment in equity	117.75