

Disclosure under Basel III
Machhapuchchhre Bank Limited
As at 3rd Quarter End (Chaitra) 2075 -76

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	1,114.12
e	Retained Earnings	2.19
f	Un-audited current year cumulative profit	1,232.08
g	Capital Redemption Reserve	0.00
h	Capital Adjustment Reserve	0.00
i	Dividend Equalization Reserve	0.00
j	Other Free Reserve	0.00
k	Less : Goodwill	0.00
l	Less: Intangible Assets	47.79
m	Less :Deferred Tax Assets	0.00
n	Less : Fictitious Assets	0.00
o	Less : Investment in equity in licensed Financial Institutions	0.00
p	Less : Investment in equity of institutions with Financial interests	215.00
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	0.00
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	37.07
Total Tier 1 Capital		10,135.11

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	761.11
f	Exchange Equalization Reserve	10.72
g	Investment Adjustment Reserve	15.00
h	Assets Revaluation Reserve	0.00
i	Other Reserves	0.00
Total Tier 2 Capital		786.83

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	47.79
b	Deferred Tax Assets	0.00
c	Miscellaneous Expenditure not written off	0.00
d	Investment in equity of institutions with Financial interests	215.00
e	Purchase of Land & building in excess of limit and unutilized	0.00
f	Other Deduction	37.07
Total		299.86

4. Total qualifying capital

NPR(In Million)

Particulars	Amount
a Core Capital (Tier 1)	10,135.11
b Supplementary Capital (Tier 2)	786.83
Total Capital Fund	10,921.93

5. Capital adequacy ratio

12.63%

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	79,702.79
b Risk Weighted Exposure for Operational Risk	4,316.84
c Risk Weighted Exposure for Market Risk	101.95
Add RWE equivalent to reciprocal of capital charge of 2 % of gross income.	681.30
Add: 2% of the total RWE add by Supervisory Review	1,682.43
Total Risk Weighted Exposures	86,485.31

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	2,951.60
4	Claims on corporate and securities firm	32,792.47
5	Claims on regulatory retail portfolio	27,260.51
6	Claim secured by residential properties	3,829.93
7	Claims secured by commercial real state	1,495.59
8	Past due Claims	1,519.06
9	High risk claims	1,896.10
10	Other Assets	2,842.03
11	Off Balance sheet Items	5,115.50
	Total	79,702.79

8. Total risk weighted exposure calculation table

NPR(In Million)

S.N.	Particulars	Amount
1	Total Risk Weighted Exposure	86,485.31
2	Total Core Capital Fund (Tier 1)	10,135.11
3	Total Capital Fund (Tier 1 & Tier 2)	10,921.93
4	Total Core Capital to Total Risk Weighted Exposures	11.72%
5	Total Capital to Total Risk Weighted Exposures	12.63%

9. Amount of NPAs (both Gross and Net)

NPR(In Million)

S.N.	Loan Classification	Gross Amount	Provision	Net Amount
1	Restructured Loan	2.30	0.29	2.01
2	Substandard Loan	126.68	31.67	95.01
3	Doubtful Loan	132.58	66.29	66.29
4	Loss Loan	108.76	108.76	0.00
	Total	370.31	207.00	163.30

10. NPA Ratios

Gross NPA to Gross Loans and Advances	0.48%
Net NPA to Net Loans and Advances	0.21%

11. Movement of NPA

S. N	Loan Classification	This Quarter	Previous Quarter	Change (%)
1	Restructured Loan	2.30	2.31	-0.78%
2	Sub-standard Loan	126.68	124.73	1.56%
3	Doubtful Loan	132.58	72.76	82.20%
4	Loss Loan	108.76	126.11	-13.76%
	Total	370.31	325.92	13.62%

NPA Increased (in million) 44.39

12. Write off of loans & Interest suspense

NPR(In Million)

S.N.	Particulars	Amount
1	Write Off of Loans	13.88
2	Write Off of interest suspense	22.33
	Total	36.21

13. Movement in Loan loss provisions and interest suspense

NPR(In Million)

S.N.	Particulars	This quarter	Previous Quarter	Change (%)
1	Loan Loss provision	1019.63	963.68	5.81%
2	Interest Suspense	-	-	-

14. Detail of additional Loan Loss provision

NPR(In Million)

S.N.	Loan Loss provision	This quarter	Previous Quarter	Change
1	Pass loan	761.10	739.43	21.67
2	Watchlist	51.53	30.29	21.24
2	Restructured Loan	0.29	0.29	0.00
3	Substandard Loan	31.67	31.18	0.49
4	Doubtful Loan	66.29	36.38	29.91
5	Loss Loan	108.76	126.11	-17.35
	Total	1,019.63	963.68	55.95

15. Segregation of investment portfolio

NPR(In Million)

S.N.	Particulars	Gross Amount
1	Held For Trading	Nil
2	Held To Maturity:	13,948.66
2.1	Investment in treasury bills	825.20
2.2	Investment in Govt. bonds	6,671.90
2.3	Investment in Other bonds	0.00
2.4	Investment others	6,451.55
3	Available For Sale:	347.59
3.1	Investment in equity	347.59