

**HIMALAYAN BANK LIMITED**  
**DISCLOSURES UNDER BASEL III AS ON ASHWIN 2079 (17 OCTOBER 2022)**  
**Based on Unaudited Financials**

**A. Capital Structure & Capital Adequacy as per Basel III**

**1. Tier 1 Capital and Breakdown of its Components:**

SN	Particulars	Amount
<b>A</b>	<b>Core Capital (Tier 1)</b>	<b>20,427,438,950</b>
1	Paid up Equity Share Capital	12,968,725,725
2	Share Premium	-
3	Statutory General Reserves	5,366,200,846
4	Retained Earnings	2,720,795,005
5	Current year profit/(loss)	(317,202,553)
6	Capital Redemption Reserve	-
7	Debenture Redemption Reserve	-
8	Special Reserve	-
9	Deferred Tax Reserve	-
	Less: Miscellaneous expenditure not written off	-
	Less: Deferred Tax Reserve	-
	Less: Investment in equity of institutions with financial interests	200,000,000
	Less: Purchase of land & building in excess of limit and unutilized	111,080,073
	Less: Other Deductions	-

**2. Tier 2 Capital and Breakdown of its Components**

SN	Particulars	Amount
<b>B</b>	<b>Supplementary Capital (Tier 2)</b>	<b>5,038,012,767</b>
1	Subordinated Term Debt	2,500,000,000
2	General loan loss provision	2,497,741,815
3	Exchange Equalization Reserve	39,056,093
4	Investment Adjustment Reserve	1,214,859
5	Other Reserves	-

**3. Information on Subordinated Term Debt:**

Bond Issued	<b>HBL Bond 2086</b>
Outstanding amount	2,500,000,000.00
Interest rate	10.50%
Maturity Date	Aswin 2086
Interest payment	Half yearly basis
Tenor	7 years
Amount to be reckoned as capital	2,500,000,000.00

**4. Total deductions from Capital: N/a**

**5. Total Qualifying Capital**

SN	Particulars	Amount
1	Core Capital (Tier 1)	20,427,438,950
2	Supplementary Capital (Tier 2)	5,038,012,767
<b>Total</b>		<b>25,465,451,717</b>

**6. Capital Adequacy Ratio:**

<b>CAPITAL ADEQUACY RATIOS</b>		
Tier 1 Capital to Total Risk Weighted Exposures		<b>10.16%</b>
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures		<b>12.67%</b>

## B. Risk Exposures

### 1. Risk Weighted Exposures for Credit Risk, Market Risk & Operational Risks)

RISK WEIGHTED EXPOSURES		Amount
a	Risk Weighted Exposure for Credit Risk	184,568,830,096
b	Risk Weighted Exposure for Operational Risk	8,430,359,793
c	Risk Weighted Exposure for Market Risk	355,637,907
Adjustment under Pillar II		
	Net liquid assets to total deposit ratio is shortfall by ....%, Add ....% of total deposit to RWE	-
	Add 3% of gross income for operational risk	1,843,196,342
	Add: 3% of total RWE for overall risk	5,800,644,834
<b>Total Risk Weighted Exposures</b>		<b>200,998,668,972</b>

### 2. Risk Weighted Exposures under each of 13 categories of Credit Risk

SN	Particulars	Amount
1	Claims on government & central bank	-
2	Claims on other official entities	72,146,250
3	Claims on banks	4,202,894,908
4	Claims on domestic corporate and securities firms	119,638,792,897
5	Claims on regulatory retail portfolio	5,677,727,392
6	Claims secured by residential properties	3,200,220,090
7	Claims secured by commercial real estate	3,937,751,754
8	Past due claims	279,590,293
9	High risk claims	15,952,257,420
10	Lending against Shares(upto Rs.2.5 Million)	51,763,328
11	TR loan for Trading Firm- 120%	4,038,243,959
12	Other assets	7,638,351,285
13	Off balance sheet items	19,879,090,520
<b>TOTAL</b>		<b>184,568,830,096</b>

### 3. Total Risk Weighted Exposures calculation table:

SN	Particulars	Amount
1	Total Risk Weighted Exposure	200,998,668,972
2	Total Core Capital Fund (Tier 1)	20,427,438,950
3	Total Capital Fund (Tier 1 & Tier 2)	25,465,451,717
4	Total Core Capital to Total Risk Weighted Exposures	10.16%
5	Total Capital to Total Risk Weighted Exposures	12.67%

### 4. Amount of NPA

SN	Loan Classification	Gross Amount	Provision Held	Net NPA
1	Restructured Loan	36,867,226	12,402,226	24,465,000
2	Substandard Loan	1,637,258,239	409,314,560	1,227,943,679
3	Doubtful Loan	1,422,642,115	711,321,057	711,321,057
4	Loss Loan	631,272,280	631,272,280	-
<b>Total</b>		<b>3,728,039,859</b>	<b>1,764,310,123</b>	<b>1,963,729,736</b>

### 5.NPA Ratios

Gross NPA to Gross Advances		2.31%
Net NPA to Net Advances	:	1.25%

**6. Movement of Non Performing Assets ( Asadh 2079 VS Ashwin 2079)**

S.N	Loan Classification	Previous quarter Asadh End 2079	This quarter Ashwin End 2079	Movement of non performing Assets
1	Restructured Loan	36,865,818	36,867,226	0.00%
2	Substandard Loan	537,807,958	1,637,258,239	204.43%
3	Doubtful Loan	1,402,422,060	1,422,642,115	1.44%
4	Loss Loan	365,603,805	631,272,280	72.67%
<b>Total</b>		<b>2,342,699,641</b>	<b>3,728,039,859</b>	<b>59.13%</b>

**7. Write Off of Loans & Interest upto Ashwin End 2079**

SN	Principal	Interest	Total
1	24,351,078	5,083,755	29,434,833

**8. Movement in Loan Loss Provisioning:**

SN	Loan Loss Provision	Previous quarter Asadh End 2079	This quarter Ashwin End 2079	Movement in Loan loss
1	Pass	1,918,637,194	1,980,644,978	3.23%
2	Watchlist	476,370,521	517,096,837	8.55%
2	Restructured/ Rescheduled Loan	6,874,022	12,402,226	80.42%
3	Substandard Loan	134,451,989	409,314,560	204.43%
4	Doubtful Loan	701,211,030	711,321,057	1.44%
5	Loss Loan	365,603,805	631,272,280	72.67%
<b>Total</b>		<b>3,603,148,562</b>	<b>4,262,051,938</b>	<b>18.29%</b>

**ii. Movement in Interest Suspend**

	Particular	Previous quarter Asadh End 2079	This quarter Ashwin End 2079	Movement during the period
1	Interest Suspend	655,538,590	650,177,126	-0.82%

**9 Segregation of Investment Portfolio:**

Particulars	Ashwin 2079
Investment in Subsidiary	200,000,000
Investment in Associate	192,707,259
Investment at Fair Value through OCI	134,832,735
Investment at Fair Value through PL	-
Investment Measured at Amortized Cost	
Investment in treasury bills	6,889,865,629
Investment in Govt. bonds	16,531,868,695
Investment in Foreign Bonds	-
Placement	8,597,411,966
<b>Total Investment Measured At Amortized Cost</b>	<b>32,019,146,290</b>
<b>Total Investment</b>	<b>32,546,686,284</b>