

HIMALAYAN BANK LIMITED
DISCLOSURES UNDER BASEL II AS ON ASHAD END 2071 (16 JULY 2014)
Based on Unaudited Financials

A. Capital Structure & Capital Adequacy as per Basel II

1. Tier 1 Capital and Breakdown of its Components:

SN	Particulars	Amount
A	Core Capital (Tier 1)	5,835,746,875
1	Paid up Equity Share Capital	2,898,000,000
2	Statutory General Reserves	1,787,655,183
3	Retained Earnings	510,387,183
4	Current year profit/(loss)	-
5	Capital Adjustment Reserve	-
6	Debenture Redemption Reserve	671,428,569
7	Special Reserve	4,000,000
8	Deferred Tax Reserve	47,485,624
	Less: Miscellaneous expenditure not written off	283,657
	Less: Other Deductions	82,926,027

2. Tier 2 Capital and Breakdown of its Components

SN	Particulars	Amount
B	Supplementary Capital (Tier 2)	1,612,099,661
1	Subordinated Term Debt	700,000,000
2	General loan loss provision	452,525,631
3	Exchange Equalization Reserve	31,537,085
4	Investment Adjustment Reserve	1,673,278
5	Other Reserves	426,363,667

3. Information on Subordinated Term Debt:

	HBL Bond 2072	HBL Bond 2077
Bond Issued		
Outstanding amount	500,000,000.00	600,000,000.00
Interest rate	8%	8%
Maturity Date	Ashad 2072	Ashad 2077
Interest payment	Half yearly basis	Half yearly basis
Tenor	7 years	7 years
Amount to be reckoned as capital	100,000,000.00	600,000,000.00

4. Total deductions from Capital: N/a

5. Total Qualifying Capital

SN	Particulars	Amount
1	Core Capital (Tier 1)	5,835,746,875
2	Supplementary Capital (Tier 2)	1,612,099,661
	Total	7,447,846,536

6. Capital Adequacy Ratio:

CAPITAL ADEQUACY RATIOS	
Tier 1 Capital to Total Risk Weighted Exposures	9.13%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	11.65%

B. Risk Exposures

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

	Amount
RISK WEIGHTED EXPOSURES	
a Risk Weighted Exposure for Credit Risk	55,540,059,804
b Risk Weighted Exposure for Operational Risk	4,586,360,657
c Risk Weighted Exposure for Market Risk	189,690,741
Adjustment under Pillar II	
Add 5% of gross income for operational risk	1,820,321,497
Add: 3% of total RWE for overall risk	1,809,483,336
Total Risk Weighted Exposures	63,945,916,034

2. Risk Weighted Exposures under each of 11 categories of Credit Risk

SN	Particulars	Amount
1	Claims on government & central bank	-
2	Claims on other official entities	398,973,606
3	Claims on banks	2,092,147,987
4	Claims on domestic corporate and securities firms	29,607,648,554
5	Claims on regulatory retail portfolio	3,716,733,641
6	Claims secured by residential properties	3,071,359,762
7	Claims secured by commercial real estate	926,005,209
8	Past due claims	1,360,723,139
9	High risk claims	5,955,013,097
10	Other assets	1,972,345,033
11	Off balance sheet items	6,439,109,776
	TOTAL	55,540,059,804

3. Total Risk Weighted Exposures calculation table:

SN	Particulars	Amount
1	Total Risk Weighted Exposure	63,945,916,034
2	Total Core Capital Fund (Tier 1)	5,835,746,875
3	Total Capital Fund (Tier 1 & Tier 2)	7,447,846,536
4	Total Core Capital to Total Risk Weighted Exposures	9.13%
5	Total Capital to Total Risk Weighted Exposures	11.65%

4 Amount of NPA

SN	Loan Classification	Gross Amount	Provision Held	Net NPA
1	Restructured Loan	151,102,227	123,029,134	28,073,093
2	Substandard Loan	237,258,043	59,314,511	177,943,532
3	Doubtful Loan	74,432,313	37,216,156	37,216,156
4	Loss Loan	733,973,760	733,973,760	-
Total		1,196,766,343	953,533,562	243,232,781

5 NPA Ratios

Gross NPA to Gross Advances	:	2.58%
Net NPA to Net Advances	:	0.54%

6 Movement of Non Performing Assets (Chaitra 2070 Vs Ashad 2071)

S.N	Loan Classification	Previous quarter Chaitra 2070	This quarter Ashad 2071	Movement of non performing Assets
1	Restructured Loan	144,859,261	151,102,227	4.31%
2	Substandard Loan	241,145,575	237,258,043	-1.61%
3	Doubtful Loan	154,561,206	74,432,313	-51.84%
4	Loss Loan	759,359,080	733,973,760	-3.34%
Total		1,299,925,122	1,196,766,343	-7.94%

7. Write Off of Loans & Interest Suspense upto Ashad End 2071

SN	Principal	Interest	Total
1	9,699,493	226,405,295	236,104,788

8 Movement in Loan Loss Provisioning:

SN	Loan Loss Provision	Previous quarter Chaitra 2070	This quarter Ashad 2071	Movement in Loan loss
1	Pass	457,736,536	457,835,457	0.02%
2	Restructured/ Rescheduled Loan	111,082,709	123,029,134	10.75%
3	Substandard Loan	60,286,394	59,314,511	-1.61%
4	Doubtful Loan	77,280,603	37,216,156	-51.84%
5	Loss Loan	759,359,080	733,973,760	-3.34%
Total		1,465,745,321	1,411,369,019	-3.71%

ii. Movement in Interest Suspense

	Particular	Previous quarter Chaitra End 2070	This quarter Ashad End 2071	Movement during the period
1	Interest Suspense	680,262,394	409,263,389	-39.84%

9 Segregation of Investment Portfolio:

Particulars	Ashad 2071
Available for sale:	
Investment in equity	90,002,059
Held to maturity:	
Investment in treasury bills	10,158,618,779
Investment in Govt. bonds	2,024,355,644
Placement	7,766,398,662
Total	19,949,373,086
Held for Trading	-