

HIMALAYAN BANK LIMITED
DISCLOSURES UNDER BASEL II AS ON ASHAD 2072 (16 JULY 2015)
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)	7,062,819,409
1	Paid up Equity Share Capital	3,332,700,000
2	Statutory General Reserves	1,763,712,138
3	Retained Earnings	730,874,321
4	Current year profit/(loss)	1,095,595,093
5	Capital Adjustment Reserve	-
6	Debenture Redemption Reserve	171,428,569
7	Special Reserve	4,000,000
8	Deferred Tax Reserve	47,485,624
	Less: Miscellaneous expenditure not written off	190,942
	Less: Other Deductions	82,785,394

2. Tier 2 Capital and Breakdown of its Components

SN	Particulars	Amount
B	Supplementary Capital (Tier 2)	1,199,254,155
1	Subordinated Term Debt	600,000,000
2	General loan loss provision	566,043,793
3	Exchange Equalization Reserve	31,537,085
4	Investment Adjustment Reserve	1,673,278
5	Other Reserves	-

3. Information on Subordinated Term Debt:

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

4. Total deductions from Capital: N/a

5. Total Qualifying Capital

SN	Particulars	Amount
1	Core Capital (Tier 1)	7,062,819,409
2	Supplementary Capital (Tier 2)	1,199,254,155
Total		8,262,073,564

6. Capital Adequacy Ratio:

CAPITAL ADEQUACY RATIOS		
Tier 1 Capital to Total Risk Weighted Exposures		9.78%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures		11.45%

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	62,814,905,167
b	Risk Weighted Exposure for Operational Risk	5,101,721,510
c	Risk Weighted Exposure for Market Risk	356,179,780
Adjustment under Pillar II		
	Add 5% of gross income for operational risk	1,862,015,957
	Add: 3% of total RWE for overall risk	2,048,184,194
Total Risk Weighted Exposures		72,183,006,608

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	516,219,276
3	Claims on banks	2,192,485,117
4	Claims on domestic corporate and securities firms	36,361,617,797
5	Claims on regulatory retail portfolio	4,215,492,418
6	Claims secured by residential properties	3,517,141,541
7	Claims secured by commercial real estate	807,968,765
8	Past due claims	952,378,766
9	High risk claims	6,403,964,577
10	Other assets	1,987,664,574
11	Off balance sheet items	5,859,972,337
TOTAL		62,814,905,167

3. Total Risk Weighted Exposures calculation table:

SN	Particulars	Amount
1	Total Risk Weighted Exposure	72,183,006,608
2	Total Core Capital Fund (Tier 1)	7,062,819,409
3	Total Capital Fund (Tier 1 & Tier 2)	8,262,073,564
4	Total Core Capital to Total Risk Weighted Exposures	9.78%
5	Total Capital to Total Risk Weighted Exposures	11.45%

4 Amount of NPA

SN	Loan Classification	Gross Amount	Provision Held	Net NPA
1	Restructured Loan	297,416,378	112,647,092	184,769,286
2	Substandard Loan	139,774,846	34,943,711	104,831,134
3	Doubtful Loan	226,238,764	113,119,382	113,119,382
4	Loss Loan	1,120,522,513	1,120,522,513	-
Total		1,783,952,502	1,381,232,699	402,719,802

5 NPA Ratios

Gross NPA to Gross Advances	:	3.22%
Net NPA to Net Advances	:	0.75%

6 Movement of Non Performing Assets (Chaitra 2071 Vs Ashad 2072)

S.N	Loan Classification	Previous quarter Chaitra 2071	This quarter Ashad 2072	Movement of non performing Assets
1	Restructured Loan	120,744,742	297,416,378	146.32%
2	Substandard Loan	375,951,839	139,774,846	-62.82%
3	Doubtful Loan	203,635,967	226,238,764	11.10%
4	Loss Loan	421,507,567	1,120,522,513	165.84%
Total		1,121,840,115	1,783,952,502	59.02%

7. Write Off of Loans & Interest Suspense upto Ashad End 2072

SN	Principal	Interest	Total
1	2,386,094	2,905,368	5,291,461

8 Movement in Loan Loss Provisioning:

SN	Loan Loss Provision	Previous quarter Chaitra 2071	This quarter Ashad 2072	Movement in Loan loss
1	Pass	518,645,218	511,338,191	-1.41%
2	Watchlist	44,603,845	59,206,491	-
2	Restructured/ Rescheduled Loan	116,694,742	112,647,092	-3.47%
3	Substandard Loan	93,987,960	34,943,711	-62.82%
4	Doubtful Loan	101,817,984	113,119,382	11.10%
5	Loss Loan	421,507,567	1,120,522,513	165.84%
Total		1,297,257,316	1,951,777,381	50.45%

ii. Movement in Interest Suspense

	Particular	Previous quarter Chaitra 2071	This quarter Ashad 2072	Movement during the period
1	Interest Suspense	478,207,686	480,138,447	0.40%

9 Segregation of Investment Portfolio:

Particulars	Ashad 2072
Available for sale:	
Investment in equity	106,999,859
Held to maturity:	
Investment in treasury bills	8,886,096,895
Investment in Govt. bonds	706,954,702
Placement	8,478,502,835
Total	18,071,554,431
Held for Trading	-