

HIMALAYAN BANK LIMITED
DISCLOSURES UNDER BASEL II AS ON ASHAD 2073 (15 JULY 2016)
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)	8,595,528,850
1	Paid up Equity Share Capital	4,499,145,000
2	Statutory General Reserves	2,369,491,725
3	Retained Earnings	1,560,914,241
4	Current year profit/(loss)	-
5	Capital Adjustment Reserve	-
6	Debenture Redemption Reserve	342,857,141
7	Special Reserve	4,000,000
8	Deferred Tax Reserve	62,897,537
	Less: Miscellaneous expenditure not written off	103,465
	Less: Deferred Tax Reserve	62,897,537
	Less: Investment in equity of institutions with financial interests	98,124,000
	Less: Purchase of land & building in excess of limit and unutilized	82,651,792
	Less: Other Deductions	-

2. Tier 2 Capital and Breakdown of its Components

SN	Particulars	Amount
B	Supplementary Capital (Tier 2)	1,276,981,071
1	Subordinated Term Debt	480,000,000
2	General loan loss provision	760,774,867
3	Exchange Equalization Reserve	34,192,970
4	Investment Adjustment Reserve	2,013,234

3. Information on Subordinated Term Debt:

Bond Issued	HBL Bond 2077
Outstanding amount	600,000,000
Interest rate	8%
Maturity Date	Ashad 2077
Interest payment	Half yearly basis
Tenor	7 years
Amount to be reckoned as capital	480,000,000

4. Total deductions from Capital: N/a

5. Total Qualifying Capital

SN	Particulars	Amount
1	Core Capital (Tier 1)	8,595,528,850
2	Supplementary Capital (Tier 2)	1,276,981,071
Total		9,872,509,921

6. Capital Adequacy Ratio:

CAPITAL ADEQUACY RATIOS	
Tier 1 Capital to Total Risk Weighted Exposures	9.50%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	10.91%

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	79,782,517,161
b Risk Weighted Exposure for Operational Risk	5,746,774,453
c Risk Weighted Exposure for Market Risk	322,994,050
Adjustment under Pillar II	
Add 5% of gross income for operational risk	2,064,437,000
Add: 3% of total RWE for overall risk	2,575,568,570
Total Risk Weighted Exposures	90,492,291,234

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	668,228,028
3	Claims on banks	2,116,660,625
4	Claims on domestic corporate and securities firms	46,099,828,087
5	Claims on regulatory retail portfolio	5,803,770,080
6	Claims secured by residential properties	3,643,072,844
7	Claims secured by commercial real estate	1,060,874,740
8	Past due claims	751,287,865
9	High risk claims	9,764,569,481
10	Other assets	2,479,863,985
11	Off balance sheet items	7,394,361,426
TOTAL		79,782,517,161

3. Total Risk Weighted Exposures calculation table:

SN	Particulars	Amount
1	Total Risk Weighted Exposure	90,492,291,234
2	Total Core Capital Fund (Tier 1)	8,595,528,850
3	Total Capital Fund (Tier 1 & Tier 2)	9,872,509,921
4	Total Core Capital to Total Risk Weighted Exposures	9.50%
5	Total Capital to Total Risk Weighted Exposures	10.91%

4 Amount of NPA

SN	Loan Classification	Gross Amount	Provision Held	Net NPA
1	Restructured Loan	207,423,984	39,923,810	167,500,174
2	Substandard Loan	26,360,394	6,590,098	19,770,296
3	Doubtful Loan	155,159,853	77,579,926	77,579,927
4	Loss Loan	462,431,717	462,431,717	-
Total		851,375,948	586,525,551	264,850,397

5 NPA Ratios

Gross NPA to Gross Advances	:	1.23%
Net NPA to Net Advances	:	0.39%

6 Movement of Non Performing Assets (Chaitra 2072 Vs Ashad 2073)

S.N	Loan Classification	Previous quarter Chaitra 2072	This quarter Ashad 2073	Movement of non performing Assets
1	Restructured Loan	279,876,333	207,423,984	-25.89%
2	Substandard Loan	342,718,920	26,360,394	-92.31%
3	Doubtful Loan	160,659,766	155,159,853	-3.42%
4	Loss Loan	1,164,218,812	462,431,717	-60.28%
Total		1,947,473,831	851,375,948	-56.28%

7. Write Off of Loans & Interest Suspense upto Ashad End 2073

SN	Principal	Interest	Total
1	707,732,366	13,170,438	720,902,804

8 Movement in Loan Loss Provisioning:

SN	Loan Loss Provision	Previous quarter Chaitra 2072	This quarter Ashad 2073	Movement in Loan loss
1	Pass	609,780,151	662,961,870	8.72%
2	Watchlist	97,142,566	104,372,976	7.44%
2	Restructured/ Rescheduled Loan	57,488,999	39,923,810	-30.55%
3	Substandard Loan	85,679,730	6,590,098	-92.31%
4	Doubtful Loan	80,329,883	77,579,926	-3.42%
5	Loss Loan	1,164,218,812	462,431,717	-60.28%
Total		2,094,640,141	1,353,860,397	-35.37%

ii. Movement in Interest Suspense

	Particular	Previous quarter Chaitra 2072	This quarter Ashad 2073	Movement during the period
1	Interest Suspense	490,215,672	453,950,248	-7.40%

9 Segregation of Investment Portfolio:

Particulars	Ashad 2073
Available for sale:	
Investment in equity	205,123,859
Held to maturity:	
Investment in treasury bills	5,281,324,304
Investment in Govt. bonds	4,130,950,000
Investment in Foreign Bonds	1,617,537,061
Placement	9,554,389,302
Total	20,584,200,667
Held for Trading	-