

**HIMALAYAN BANK LIMITED**  
**DISCLOSURES UNDER BASEL II AS ON ASWIN END 2071 (17 OCTOBER 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
<b>A</b>	<b>Core Capital (Tier 1)</b>	<b>6,213,939,502</b>
1	Paid up Equity Share Capital	2,898,000,000
2	Statutory General Reserves	1,571,890,689
3	Retained Earnings	977,426,642
4	Current year profit/(loss)	268,629,187
5	Capital Adjustment Reserve	-
6	Debenture Redemption Reserve	514,285,712
7	Special Reserve	4,000,000
8	Deferred Tax Reserve	62,887,064
	Less: Miscellaneous expenditure not written off	288,923
	Less: Other Deductions	82,890,868

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

SN	Particulars	Amount
<b>B</b>	<b>Supplementary Capital (Tier 2)</b>	<b>1,438,424,801</b>
1	Subordinated Term Debt	700,000,000
2	General loan loss provision	494,465,292
3	Exchange Equalization Reserve	29,769,898
4	Investment Adjustment Reserve	1,673,278
5	Other Reserves	212,516,333

**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)	6,213,939,502
2	Supplementary Capital (Tier 2)	1,438,424,801
<b>Total</b>		<b>7,652,364,303</b>

**6. Capital Adequacy Ratio:**

CAPITAL ADEQUACY RATIOS		
Tier 1 Capital to Total Risk Weighted Exposures		<b>8.95%</b>
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures		<b>11.03%</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	60,392,482,978
b	Risk Weighted Exposure for Operational Risk	5,101,721,508
c	Risk Weighted Exposure for Market Risk	79,519,172
<b>Adjustment under Pillar II</b>		
	Add 5% of gross income for operational risk	1,862,015,957
	Add: 3% of total RWE for overall risk	1,967,211,710
<b>Total Risk Weighted Exposures</b>		<b>69,402,951,325</b>

**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	781,535,953
3	Claims on banks	2,756,909,897
4	Claims on domestic corporate and securities firms	33,275,900,314
5	Claims on regulatory retail portfolio	3,685,462,485
6	Claims secured by residential properties	3,195,428,157
7	Claims secured by commercial real estate	889,480,778
8	Past due claims	1,678,378,387
9	High risk claims	6,034,874,564
10	Other assets	2,168,540,791
11	Off balance sheet items	5,925,971,653
<b>TOTAL</b>		<b>60,392,482,978</b>

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

SN	Particulars	Amount
1	Total Risk Weighted Exposure	69,402,951,325
2	Total Core Capital Fund (Tier 1)	6,213,939,502
3	Total Capital Fund (Tier 1 & Tier 2)	7,652,364,303
4	Total Core Capital to Total Risk Weighted Exposures	8.95%
5	Total Capital to Total Risk Weighted Exposures	11.03%

**4. Amount of NPA**

SN	Loan Classification	Gross Amount	Provision Held	Net NPA
1	Restructured Loan	148,437,003	125,937,003	22,500,000
2	Substandard Loan	431,678,743	107,919,686	323,759,057
3	Doubtful Loan	130,556,669	65,278,334	65,278,334
4	Loss Loan	391,451,054	391,451,054	-
<b>Total</b>		<b>1,102,123,469</b>	<b>690,586,077</b>	<b>411,537,392</b>

**5. NPA Ratios**

Gross NPA to Gross Advances	:	2.18%
Net NPA to Net Advances	:	0.83%

**6. Movement of Non Performing Assets (Ashad 2071 Vs Aswin 2071)**

S.N	Loan Classification	Previous quarter Ashad 2071	This quarter Aswin 2071	Movement of non performing Assets
1	Restructured Loan	151,102,227	148,437,003	-1.76%
2	Substandard Loan	237,258,043	431,678,743	81.94%
3	Doubtful Loan	74,432,313	130,556,669	75.40%
4	Loss Loan	448,722,415	391,451,054	-12.76%
<b>Total</b>		<b>911,514,998</b>	<b>1,102,123,469</b>	<b>20.91%</b>

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

SN	Principal	Interest	Total
1	-	-	-

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

SN	Loan Loss Provision	Previous quarter Ashad 2071	This quarter Aswin 2071	Movement in Loan loss
1	Pass	460,687,970	499,703,918	8.47%
2	Restructured/ Rescheduled Loan	123,029,134	125,937,003	2.36%
3	Substandard Loan	59,314,511	107,919,686	81.94%
4	Doubtful Loan	37,216,156	65,278,334	75.40%
5	Loss Loan	448,722,415	391,451,054	-12.76%
<b>Total</b>		<b>1,128,970,186</b>	<b>1,190,289,995</b>	<b>5.43%</b>

ii. Movement in Interest Suspense

	Particular	Previous quarter Ashad 2071	This quarter Aswin 2071	Movement during the period
1	Interest Suspense	409,263,389	497,319,043	21.52%

9 Segregation of Investment Portfolio:

Particulars	Aswin 2071
<b>Available for sale:</b>	
Investment in equity	90,002,059
<b>Held to maturity:</b>	
Investment in treasury bills	7,567,701,440
Investment in Govt. bonds	2,018,298,796
Placement	8,036,961,349
<b>Total</b>	<b>17,622,961,584</b>
<b>Held for Trading</b>	-