

HIMALAYAN BANK LIMITED
DISCLOSURES UNDER BASEL II AS ON ASWIN 2072 (17 OCTOBER 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)	7,337,312,140
1	Paid up Equity Share Capital	3,332,700,000
2	Statutory General Reserves	1,986,169,281
3	Retained Earnings	1,518,239,291
4	Current year profit/(loss)	322,784,790
5	Capital Adjustment Reserve	-
6	Debenture Redemption Reserve	257,142,855
7	Special Reserve	4,000,000
8	Deferred Tax Reserve	62,897,537
	Less: Miscellaneous expenditure not written off	185,276
	Less: Deferred Tax Reserve	62,897,537
	Less: Other Deductions	83,538,801

2. Tier 2 Capital and Breakdown of its Components

SN	Particulars	Amount
B	Supplementary Capital (Tier 2)	1,233,777,910
1	Subordinated Term Debt	600,000,000
2	General loan loss provision	599,230,143
3	Exchange Equalization Reserve	32,534,533
4	Investment Adjustment Reserve	2,013,234
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)	7,337,312,140
2	Supplementary Capital (Tier 2)	1,233,777,910
Total		8,571,090,051

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		11.09%

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	66,365,916,682
b	Risk Weighted Exposure for Operational Risk	5,746,774,453
c	Risk Weighted Exposure for Market Risk	898,568,847
Adjustment under Pillar II		
	Add 5% of gross income for operational risk	2,064,437,000
	Add: 3% of total RWE for overall risk	2,190,337,799
Total Risk Weighted Exposures		77,266,034,781

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	742,969,391
3	Claims on banks	2,861,011,089
4	Claims on domestic corporate and securities firms	38,543,491,024
5	Claims on regulatory retail portfolio	4,302,704,197
6	Claims secured by residential properties	3,461,724,497
7	Claims secured by commercial real estate	750,809,630
8	Past due claims	1,023,031,028
9	High risk claims	6,004,189,864
10	Other assets	2,033,589,940
11	Off balance sheet items	6,642,396,022
TOTAL		66,365,916,682

3. Total Risk Weighted Exposures calculation table:

SN	Particulars	Amount
1	Total Risk Weighted Exposure	77,266,034,781
2	Total Core Capital Fund (Tier 1)	7,337,312,140
3	Total Capital Fund (Tier 1 & Tier 2)	8,571,090,051
4	Total Core Capital to Total Risk Weighted Exposures	9.50%
5	Total Capital to Total Risk Weighted Exposures	11.09%

4 Amount of NPA

SN	Loan Classification	Gross Amount	Provision Held	Net NPA
1	Restructured Loan	311,949,265	68,870,205	243,079,060
2	Substandard Loan	270,483,827	67,620,957	202,862,870
3	Doubtful Loan	223,077,035	111,538,517	111,538,517
4	Loss Loan	1,118,029,663	1,118,029,663	-
Total		1,923,539,790	1,366,059,342	557,480,447

5 NPA Ratios

Gross NPA to Gross Advances	:	3.35%
Net NPA to Net Advances	:	1.00%

6 Movement of Non Performing Assets (Ashad 2072 Vs Aswin 2072)

S.N	Loan Classification	Previous quarter Ashad 2072	This quarter Aswin 2072	Movement of non performing Assets
1	Restructured Loan	297,416,378	311,949,265	4.89%
2	Substandard Loan	139,774,846	270,483,827	93.51%
3	Doubtful Loan	226,238,764	223,077,035	-1.40%
4	Loss Loan	1,120,522,513	1,118,029,663	-0.22%
Total		1,783,952,502	1,923,539,790	7.82%

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

SN	Principal	Interest	Total
1	18,979,974	-	18,979,974

8 Movement in Loan Loss Provisioning:

SN	Loan Loss Provision	Previous quarter Ashad 2072	This quarter Aswin 2072	Movement in Loan loss
1	Pass	511,338,191	531,176,180	3.88%
2	Watchlist	59,206,491	72,532,096	22.51%
2	Restructured/ Rescheduled Loan	112,647,092	68,870,205	-38.86%
3	Substandard Loan	34,943,711	67,620,957	93.51%
4	Doubtful Loan	113,119,382	111,538,517	-1.40%
5	Loss Loan	1,120,522,513	1,118,029,663	-0.22%
Total		1,951,777,381	1,969,767,619	0.92%

ii. Movement in Interest Suspense

	Particular	Previous quarter Ashad 2072	This quarter Aswin 2072	Movement during the period
1	Interest Suspense	480,138,447	518,475,832	7.98%

9 Segregation of Investment Portfolio:

Particulars	Aswin 2072
Available for sale:	
Investment in equity	106,999,859
Held to maturity:	
Investment in treasury bills	7,396,201,839
Investment in Govt. bonds	706,853,240
Placement	9,121,271,263
Total	17,224,326,342
Held for Trading	-