

**HIMALAYAN BANK LIMITED**  
**DISCLOSURES UNDER BASEL II AS ON CHAITRA 2072 (12 APRIL 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
<b>A</b>	<b>Core Capital (Tier 1)</b>	<b>7,999,076,400</b>
1	Paid up Equity Share Capital	4,499,145,000
2	Statutory General Reserves	1,986,169,281
3	Retained Earnings	114,997,186
4	Current year profit/(loss)	1,319,321,687
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	103,608
	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	83,472,001
	Less: Other Deductions	-

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

SN	Particulars	Amount
<b>B</b>	<b>Supplementary Capital (Tier 2)</b>	<b>1,337,306,812</b>
1	Subordinated Term Debt	600,000,000
2	General loan loss provision	702,759,045
3	Exchange Equalization Reserve	32,534,533
4	Investment Adjustment Reserve	2,013,234

**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)	7,999,076,400
2	Supplementary Capital (Tier 2)	1,337,306,812
<b>Total</b>		<b>9,336,383,212</b>

**6. Capital Adequacy Ratio:**

CAPITAL ADEQUACY RATIOS		
Tier 1 Capital to Total Risk Weighted Exposures		<b>9.38%</b>
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures		<b>10.95%</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	74,705,142,186
b	Risk Weighted Exposure for Operational Risk	5,746,774,453
c	Risk Weighted Exposure for Market Risk	354,689,211
<b>Adjustment under Pillar II</b>		
	Add 5% of gross income for operational risk	2,064,437,000
	Add: 3% of total RWE for overall risk	2,424,198,175
<b>Total Risk Weighted Exposures</b>		<b>85,295,241,025</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	694,758,884
3	Claims on banks	2,644,803,195
4	Claims on domestic corporate and securities firms	43,145,397,057
5	Claims on regulatory retail portfolio	5,182,513,913
6	Claims secured by residential properties	3,537,616,023
7	Claims secured by commercial real estate	803,984,314
8	Past due claims	963,120,582
9	High risk claims	8,822,700,424
10	Other assets	2,137,898,013
11	Off balance sheet items	6,772,349,781
<b>TOTAL</b>		<b>74,705,142,186</b>

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

SN	Particulars	Amount
1	Total Risk Weighted Exposure	<b>85,295,241,025</b>
2	Total Core Capital Fund (Tier 1)	7,999,076,400
3	Total Capital Fund (Tier 1 & Tier 2)	9,336,383,212
4	Total Core Capital to Total Risk Weighted Exposures	<b>9.38%</b>
5	Total Capital to Total Risk Weighted Exposures	<b>10.95%</b>

**4 Amount of NPA**

SN	Loan Classification	Gross Amount	Provision Held	Net NPA
1	Restructured Loan	279,876,333	57,488,999	222,387,334
2	Substandard Loan	342,718,920	85,679,730	257,039,190
3	Doubtful Loan	160,659,766	80,329,883	80,329,883
4	Loss Loan	1,164,218,812	1,164,218,812	-
<b>Total</b>		<b>1,947,473,831</b>	<b>1,387,717,424</b>	<b>559,756,406</b>

**5 NPA Ratios**

Gross NPA to Gross Advances	:	2.98%
Net NPA to Net Advances	:	0.89%

**6 Movement of Non Performing Assets (Poush 2072 Vs Chaitra 2072)**

S.N	Loan Classification	Previous quarter Poush 2072	This quarter Chaitra 2072	Movement of non performing Assets
1	Restructured Loan	281,394,785	279,876,333	-0.54%
2	Substandard Loan	284,697,606	342,718,920	20.38%
3	Doubtful Loan	138,689,513	160,659,766	15.84%
4	Loss Loan	1,159,835,091	1,164,218,812	0.38%
<b>Total</b>		<b>1,864,616,995</b>	<b>1,947,473,831</b>	<b>4.44%</b>

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

SN	Principal	Interest	Total
1	22,071,594	219,789	22,291,383

**8 Movement in Loan Loss Provisioning:**

SN	Loan Loss Provision	Previous quarter Poush 2072	This quarter Chaitra 2072	Movement in Loan loss
1	Pass	548,188,353	609,780,151	11.24%
2	Watchlist	82,205,733	97,142,566	18.17%
2	Restructured/ Rescheduled Loan	57,722,993	57,488,999	-0.41%
3	Substandard Loan	71,174,401	85,679,730	20.38%
4	Doubtful Loan	69,344,757	80,329,883	15.84%
5	Loss Loan	1,159,835,091	1,164,218,812	0.38%
<b>Total</b>		<b>1,988,471,329</b>	<b>2,094,640,141</b>	<b>5.34%</b>

ii. Movement in Interest Suspense

	Particular	Previous quarter Poush 2072	This quarter Chaitra 2072	Movement during the period
1	Interest Suspense	482,541,344	490,215,672	1.59%

9 Segregation of Investment Portfolio:

Particulars	Chaitra 2072
<b>Available for sale:</b>	
Investment in equity	205,123,859
<b>Held to maturity:</b>	
Investment in treasury bills	8,164,943,988
Investment in Govt. bonds	558,375,000
Investment in Foreign Bonds	549,382,410
Placement	7,478,194,255
<b>Total</b>	<b>16,750,895,652</b>
Held for Trading	-