

**HIMALAYAN BANK LIMITED**  
**DISCLOSURES UNDER BASEL II AS ON POUH END 2071 (14 JANUARY 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>6,344,084,771</b>
1	Paid up Equity Share Capital	3,332,700,000
2	Statutory General Reserves	1,763,712,138
3	Retained Earnings	18,357,988
4	Current year profit/(loss)	589,498,499
5	Capital Adjustment Reserve	-
6	Debt Redemption Reserve	671,428,569
7	Special Reserve	4,000,000
8	Deferred Tax Reserve	47,485,624
	Less: Miscellaneous expenditure not written off	242,336
	Less: Other Deductions	82,855,710

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

SN	Particulars	Amount
<b>B</b>	<b>Supplementary Capital (Tier 2)</b>	<b>1,463,932,159</b>
1	Subordinated Term Debt	700,000,000
2	General loan loss provision	518,205,463
3	Exchange Equalization Reserve	31,537,085
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)	6,344,084,771
2	Supplementary Capital (Tier 2)	1,463,932,159
<b>Total</b>		<b>7,808,016,930</b>

**6. Capital Adequacy Ratio:**

CAPITAL ADEQUACY RATIOS		
Tier 1 Capital to Total Risk Weighted Exposures		<b>8.98%</b>
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures		<b>11.06%</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	61,244,030,114
b	Risk Weighted Exposure for Operational Risk	5,101,721,508
c	Risk Weighted Exposure for Market Risk	411,970,411
<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	2,002,731,661
<b>Total Risk Weighted Exposures</b>		<b>70,622,469,651</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	770,311,275
3	Claims on banks	1,761,569,233
4	Claims on domestic corporate and securities firms	34,194,962,623
5	Claims on regulatory retail portfolio	3,900,988,561
6	Claims secured by residential properties	3,312,010,047
7	Claims secured by commercial real estate	827,281,068
8	Past due claims	1,638,794,410
9	High risk claims	7,280,841,136
10	Other assets	2,134,490,682
11	Off balance sheet items	5,422,781,081
<b>TOTAL</b>		<b>61,244,030,114</b>

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

SN	Particulars	Amount
1	Total Risk Weighted Exposure	<b>70,622,469,651</b>
2	Total Core Capital Fund (Tier 1)	6,344,084,771
3	Total Capital Fund (Tier 1 & Tier 2)	7,808,016,930
4	Total Core Capital to Total Risk Weighted Exposures	<b>8.98%</b>
5	Total Capital to Total Risk Weighted Exposures	<b>11.06%</b>

**4. Amount of NPA**

SN	Loan Classification	Gross Amount	Provision Held	Net NPA
1	Restructured Loan	146,247,953	123,747,953	22,500,000
2	Substandard Loan	338,922,373	84,730,593	254,191,780
3	Doubtful Loan	249,656,716	124,828,358	124,828,358
4	Loss Loan	389,257,639	389,257,639	-
<b>Total</b>		<b>1,124,084,681</b>	<b>722,564,543</b>	<b>401,520,138</b>

**5. NPA Ratios**

Gross NPA to Gross Advances	:	2.12%
Net NPA to Net Advances	:	0.78%

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

S.N	Loan Classification	Previous quarter Aswin 2071	This quarter Poush 2071	Movement of non performing Assets
1	Restructured Loan	148,437,003	146,247,953	-1.47%
2	Substandard Loan	431,678,743	338,922,373	-21.49%
3	Doubtful Loan	130,556,669	249,656,716	91.22%
4	Loss Loan	391,451,054	389,257,639	-0.56%
<b>Total</b>		<b>1,102,123,469</b>	<b>1,124,084,681</b>	<b>1.99%</b>

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

SN	Principal	Interest	Total
1	65,874	4,036	69,910

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

SN	Loan Loss Provision	Previous quarter Aswin 2071	This quarter Poush 2071	Movement in Loan loss
1	Pass	499,703,918	522,895,895	4.64%
2	Restructured/ Rescheduled Loan	125,937,003	123,747,953	-1.74%
3	Substandard Loan	107,919,686	84,730,593	-21.49%
4	Doubtful Loan	65,278,334	124,828,358	91.22%
5	Loss Loan	391,451,054	389,257,639	-0.56%
<b>Total</b>		<b>1,190,289,995</b>	<b>1,245,460,438</b>	<b>4.64%</b>

ii. Movement in Interest Suspense

	Particular	Previous quarter Aswin 2071	This quarter Poush 2071	Movement during the period
1	Interest Suspense	497,319,043	494,225,781	-0.62%

9 Segregation of Investment Portfolio:

Particulars	Poush 2071
<b>Available for sale:</b>	
Investment in equity	90,002,059
<b>Held to maturity:</b>	
Investment in treasury bills	6,570,298,130
Investment in Govt. bonds	2,012,502,457
Placement	7,920,097,407
<b>Total</b>	<b>16,502,897,994</b>
<b>Held for Trading</b>	-