

**HIMALAYAN BANK LIMITED**  
**DISCLOSURES UNDER BASEL III AS ON ASHAD 2075 (16 JULY 2018)**  
Based on Unaudited Financials

**A. Capital Structure & Capital Adequacy as per Basel III**

**1. Tier 1 Capital and Breakdown of its Components:**

SN	Particulars	Amount
<b>A</b>	<b>Core Capital (Tier 1)</b>	<b>13,799,133,354</b>
1	Paid up Equity Share Capital	8,114,529,375
2	Share Premium	-
3	Statutory General Reserves	2,808,997,787
4	Retained Earnings	145,274,780
5	Current year profit/(loss)	2,451,112,895
6	Capital Adjustment Reserve	29,471,134
7	Debenture Redemption Reserve	428,571,427
8	Special Reserve	4,000,000
9	Deferred Tax Reserve	93,139,126
	Less: Miscellaneous expenditure not written off	1,143,466
	Less: Deferred Tax Reserve	93,139,126
	Less: Investment in equity of institutions with financial interests	98,124,000
	Less: Purchase of land & building in excess of limit and unutilized	83,556,578
	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>1,236,015,619</b>
1	Subordinated Term Debt	240,000,000
2	General loan loss provision	914,802,495
3	Exchange Equalization Reserve	34,636,311
4	Investment Adjustment Reserve	2,013,234
5	Other Reserves	44,563,579

**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	240,000,000

**4. Total deductions from Capital: N/a**

**5. Total Qualifying Capital**

SN	Particulars	Amount
1	Core Capital (Tier 1)	13,799,133,354
2	Supplementary Capital (Tier 2)	1,236,015,619
<b>Total</b>		<b>15,035,148,973</b>

**6. Capital Adequacy Ratio:**

<b>CAPITAL ADEQUACY RATIOS</b>		
Tier 1 Capital to Total Risk Weighted Exposures		<b>11.95%</b>
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures		<b>13.03%</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	101,926,569,193
b	Risk Weighted Exposure for Operational Risk	7,111,149,947
c	Risk Weighted Exposure for Market Risk	425,030,841
<b>Adjustment under Pillar II</b>		
Add 5% of gross income for operational risk		2,680,965,560
Add: 3% of total RWE for overall risk		3,283,882,499
<b>Total Risk Weighted Exposures</b>		<b>115,427,598,040</b>

**2. Risk Weighted Exposures under each of 11 categories of Credit Risk**

SN	Particulars	Amount
1	Claims on government & central bank	545,063,662
2	Claims on other official entities	1,084,068,526
3	Claims on banks	2,450,338,928
4	Claims on domestic corporate and securities firms	64,105,131,715
5	Claims on regulatory retail portfolio	6,038,430,424
6	Claims secured by residential properties	3,465,753,790
7	Claims secured by commercial real estate	2,015,313,336
8	Past due claims	572,473,048
9	High risk claims	7,082,524,592
10	Other assets	3,364,338,935
11	Off balance sheet items	11,203,132,238
<b>TOTAL</b>		<b>101,926,569,193</b>

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

SN	Particulars	Amount
1	Total Risk Weighted Exposure	<b>115,427,598,040</b>
2	Total Core Capital Fund (Tier 1)	13,799,133,354
3	Total Capital Fund (Tier 1 & Tier 2)	15,035,148,973
4	Total Core Capital to Total Risk Weighted Exposures	<b>11.95%</b>
5	Total Capital to Total Risk Weighted Exposures	<b>13.03%</b>

**4. Amount of NPA**

SN	Loan Classification	Gross Amount	Provision Held	Net NPA
1	Restructured Loan	6,289,782	5,510,020	779,763
2	Substandard Loan	206,528,505	51,632,126	154,896,378
3	Doubtful Loan	81,712,968	40,856,484	40,856,484
4	Loss Loan	556,759,119	556,759,119	-
<b>Total</b>		<b>851,290,374</b>	<b>654,757,749</b>	<b>196,532,625</b>

**5. NPA Ratios**

Gross NPA to Gross Advances		0.98%
Net NPA to Net Advances	:	0.23%

**6. Movement of Non Performing Assets ( Chaitra 2074 VS Ashad 2075 )**

S.N	Loan Classification	Previous quarter Chaitra End 2074	This quarter Ashad End 2075	Movement of non performing Assets
1	Restructured Loan	9,989,726	6,289,782	-37.04%
2	Substandard Loan	180,924,553	206,528,505	14.15%
3	Doubtful Loan	295,346,132	81,712,968	-72.33%
4	Loss Loan	527,455,383	556,759,119	5.56%
<b>Total</b>		<b>1,013,715,795</b>	<b>851,290,374</b>	<b>-16.02%</b>

7. Write Off of Loans & Interest upto Ashad End 2075

SN	Principal	Interest	Total
1	20,936,778	2,478,886	23,415,664

8. Movement in Loan Loss Provisioning:

SN	Loan Loss Provision	Previous quarter Chaitra End 2074	This quarter Ashad End 2075	Movement in Loan loss
1	Pass	838,566,293	847,462,192	1.06%
2	Watchlist	37,477,252	68,561,172	82.94%
2	Restructured/ Rescheduled Loan	9,093,949	5,510,020	-39.41%
3	Substandard Loan	45,231,138	51,632,126	14.15%
4	Doubtful Loan	147,673,066	40,856,484	-72.33%
5	Loss Loan	527,455,383	556,759,119	5.56%
<b>Total</b>		<b>1,605,497,082</b>	<b>1,570,781,114</b>	<b>-2.16%</b>

ii. Movement in Interest Suspense

	Particular	Previous quarter Chaitra End 2074	This quarter Ashad End 2075	Movement during the period
1	Interest Suspense	809,805,273	681,321,143	-15.87%

9 Segregation of Investment Portfolio:

Particulars	Ashad 2075
<b>Available for sale:</b>	
Investment in equity	214,801,339
<b>Held to maturity:</b>	
Investment in treasury bills	5,930,118,885
Investment in Govt. bonds	4,880,950,000
Investment in Foreign Bonds	1,274,375,790
Placement	5,462,746,057
<b>Total</b>	<b>17,548,190,732</b>
Held for Trading	-