

**HIMALAYAN BANK LIMITED**  
**DISCLOSURES UNDER BASEL III AS ON ASHAD 2076 (16 JULY 2019)**  
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>14,825,129,861</b>
1	Paid up Equity Share Capital	8,520,255,844
2	Share Premium	-
3	Statutory General Reserves	3,184,119,880
4	Retained Earnings	219,161,824
5	Current year profit/(loss)	2,765,412,719
6	Capital Adjustment Reserve	-
7	Debenture Redemption Reserve	514,285,713
8	Special Reserve	-
9	Deferred Tax Reserve	-
	Less: Miscellaeous expenditure not written off	-
	Less: Deferred Tax Reserve	-
	Less: Investment in equity of institutions with financial interests	298,124,000
	Less: Purchase of land & building in excess of limit and unutilized	79,982,119
	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>1,215,766,382</b>
1	Subordinated Term Debt	120,000,000
2	General loan loss provision	1,061,130,071
3	Exchange Equalization Reserve	34,636,311
4	Investment Adjustment Reserve	-
5	Other Reserves	-

**3. Information on Subordinated Term Debt:**

Bond Issued	<b>HBL Bond 2077</b>
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	120,000,000

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

**5. Total Qualifying Capital**

SN	Particulars	Amount
1	Core Capital (Tier 1)	14,825,129,861
2	Supplementary Capital (Tier 2)	1,215,766,382
<b>Total</b>		<b>16,040,896,243</b>

## 6. Capital Adequacy Ratio:

CAPITAL ADEQUACY RATIOS	
Tier 1 Capital to Total Risk Weighted Exposures	11.77%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	12.73%

## 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	111,303,656,776
b	Risk Weighted Exposure for Operational Risk	7,973,401,790
c	Risk Weighted Exposure for Market Risk	218,354,049
<b>Adjustment under Pillar II</b>		
	Add 5% of gross income for operational risk	2,926,688,843
	Add: 3% of total RWE for overall risk	3,584,862,378
<b>Total Risk Weighted Exposures</b>		<b>126,006,963,836</b>

### 2. Risk Weighted Exposures under each of 12 categories of Credit Risk

SN	Particulars	Amount
1	Claims on government & central bank	320,600,988
2	Claims on other official entities	1,010,903,822
3	Claims on banks	2,710,316,496
4	Claims on domestic corporate and securities firms	73,711,806,050
5	Claims on regulatory retail portfolio	7,002,262,049
6	Claims secured by residential properties	3,402,598,937
7	Claims secured by commercial real estate	1,616,316,955
8	Past due claims	621,768,641
9	High risk claims	5,624,129,991
10	Lending against securities (Bonds and Shares)	1,503,677,438
11	Other assets	3,547,271,568
12	Off balance sheet items	10,232,003,841
<b>TOTAL</b>		<b>111,303,656,776</b>

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

SN	Particulars	Amount
1	Total Risk Weighted Exposure	126,006,963,836
2	Total Core Capital Fund (Tier 1)	14,825,129,861
3	Total Capital Fund (Tier 1 & Tier 2)	16,040,896,243
4	Total Core Capital to Total Risk Weighted Exposures	11.77%
5	Total Capital to Total Risk Weighted Exposures	12.73%

### 4. Amount of NPA

SN	Loan Classification	Gross Amount	Provision Held	Net NPA
1	Restructured Loan	19,469,480	3,762,538	15,706,943
2	Substandard Loan	91,252,194	22,813,048	68,439,145
3	Doubtful Loan	52,011,896	26,005,948	26,005,948
4	Loss Loan	935,845,119	935,845,119	-
<b>Total</b>		<b>1,098,578,689</b>	<b>988,426,653</b>	<b>110,152,036</b>

### 5. NPA Ratios

Gross NPA to Gross Advances		1.12%
Net NPA to Net Advances	:	0.11%

**6. Movement of Non Performing Assets ( Chaitra 2075 VS Ashad 2076)**

S.N	Loan Classification	Previous quarter Chaitra End 2075	This quarter Ashad End 2076	Movement of non performing Assets
1	Restructured Loan	23,479,701	19,469,480	-17.08%
2	Substandard Loan	177,403,304	91,252,194	-48.56%
3	Doubtful Loan	102,740,266	52,011,896	-49.38%
4	Loss Loan	990,746,407	935,845,119	-5.54%
<b>Total</b>		<b>1,294,369,678</b>	<b>1,098,578,689</b>	<b>-15.13%</b>

**7. Write Off of Loans & Interest upto Ashad End 2076**

SN	Principal	Interest	Total
1	479,090	13,253,700	13,732,790

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

SN	Loan Loss Provision	Previous quarter Chaitra End 2075	This quarter Ashad End 2076	Movement in Loan loss
1	Pass	962,940,886	959,264,063	-0.38%
2	Watchlist	100,679,384	112,566,008	11.81%
2	Restructured/ Rescheduled Loan	7,250,807	3,762,538	-48.11%
3	Substandard Loan	44,350,826	22,813,048	-48.56%
4	Doubtful Loan	51,370,133	26,005,948	-49.38%
5	Loss Loan	990,746,407	935,845,119	-5.54%
<b>Total</b>		<b>2,157,338,443</b>	<b>2,060,256,724</b>	<b>-4.50%</b>

**ii. Movement in Interest Suspense**

	Particular	Previous quarter Chaitra End 2075	This quarter Ashad End 2076	Movement during the period
1	Interest Suspense	937,924,231	814,988,268	-13.11%

**9 Segregation of Investment Portfolio:**

Particulars	Ashad 2076
<b>Available for sale:</b>	
Investment in equity	442,818,348
<b>Held to maturity:</b>	
Investment in treasury bills	6,207,404,350
Investment in Govt. bonds	9,009,075,000
Investment in Foreign Bonds	1,044,070,020
Placement	6,546,105,000
<b>Total</b>	<b>22,806,654,370</b>
Held for Trading	-