

HIMALAYAN BANK LIMITED
DISCLOSURES UNDER BASEL III AS ON ASHAD 2077 (15 JULY 2020)
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
A	Core Capital (Tier 1)	16,207,778,023
1	Paid up Equity Share Capital	9,372,281,428
2	Share Premium	-
3	Statutory General Reserves	4,245,407,246
4	Retained Earnings	296,690,592
5	Current year profit/(loss)	2,206,366,019
6	Capital Adjustment Reserve	-
7	Debenture Redemption Reserve	367,014,857
8	Special Reserve	-
9	Deferred Tax Reserve	-
	Less: Miscellaneous expenditure not written off	-
	Less: Deferred Tax Reserve	-
	Less: Investment in equity of institutions with financial interests	200,000,000
	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	Supplementary Capital (Tier 2)	4,312,205,131
1	Subordinated Term Debt	2,569,104,000
2	General loan loss provision	1,700,867,699
3	Exchange Equalization Reserve	39,056,093
4	Investment Adjustment Reserve	3,177,339
5	Other Reserves	-

3. Information on Subordinated Term Debt:

	HBL Bond 2077	HBL Bond 2083
Bond Issued		
Outstanding amount	600,000,000	2,569,104,000.00
Interest rate	8%	10%
Maturity Date	Ashad 2077	Bhadra 2083
Interest payment	Half yearly basis	Half yearly basis
Tenor	7 years	7 years
Amount to be reckoned as capital	-	367,014,857

4. Total deductions from Capital: N/a

5. Total Qualifying Capital

SN	Particulars	Amount
1	Core Capital (Tier 1)	16,207,778,023
2	Supplementary Capital (Tier 2)	4,312,205,131
Total		20,519,983,154

6. Capital Adequacy Ratio:

CAPITAL ADEQUACY RATIOS		
Tier 1 Capital to Total Risk Weighted Exposures		11.76%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures		14.89%

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	122,038,871,864
b	Risk Weighted Exposure for Operational Risk	8,133,807,004
c	Risk Weighted Exposure for Market Risk	670,465,969
Adjustment under Pillar II		
Add 5% of gross income for operational risk		3,036,449,152
Add: 3% of total RWE for overall risk		3,925,294,345
Total Risk Weighted Exposures		137,804,888,334

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

SN	Particulars	Amount
1	Claims on government & central bank	384,722,017
2	Claims on other official entities	664,899,333
3	Claims on banks	3,892,216,589
4	Claims on domestic corporate and securities firms	83,313,152,479
5	Claims on regulatory retail portfolio	6,652,302,965
6	Claims secured by residential properties	3,293,047,655
7	Claims secured by commercial real estate	1,900,494,627
8	Past due claims	956,041,650
9	High risk claims	5,815,564,294
10	Lending against securities (Bonds and Shares)	1,603,361,465
11	Other assets	4,306,415,646
12	Off balance sheet items	9,256,653,143
TOTAL		122,038,871,864

3. Total Risk Weighted Exposures calculation table:

SN	Particulars	Amount
1	Total Risk Weighted Exposure	137,804,888,334
2	Total Core Capital Fund (Tier 1)	16,207,778,023
3	Total Capital Fund (Tier 1 & Tier 2)	20,519,983,154
4	Total Core Capital to Total Risk Weighted Exposures	11.76%
5	Total Capital to Total Risk Weighted Exposures	14.89%

4. Amount of NPA

SN	Loan Classification	Gross Amount	Provision Held	Net NPA
1	Restructured Loan	17,608,153	3,379,842	14,228,311
2	Substandard Loan	300,851,150	75,212,787	225,638,362
3	Doubtful Loan	383,849,947	191,924,973	191,924,973
4	Loss Loan	381,272,352	381,272,352	-
Total		1,083,581,602	651,789,955	431,791,647

5. NPA Ratios

Gross NPA to Gross Advances		1.01%
Net NPA to Net Advances	:	0.41%

6. Movement of Non Performing Assets (Chaitra 2076 VS Ashad 2077)

S.N	Loan Classification	Previous quarter Chaitra End 2076	This quarter Ashad End 2077	Movement of non performing Assets
1	Restructured Loan	18,089,667	17,608,153	-2.66%
2	Substandard Loan	731,591,967	300,851,150	-58.88%
3	Doubtful Loan	118,435,996	383,849,947	224.10%
4	Loss Loan	360,916,082	381,272,352	5.64%
Total		1,229,033,713	1,083,581,602	-11.83%

7. Write Off of Loans & Interest upto Ashad End 2077

SN	Principal	Interest	Total
1	181,550,632	44,728,693	226,279,325

8. Movement in Loan Loss Provisioning:

SN	Loan Loss Provision	Previous quarter Chaitra End 2076	This quarter Ashad End 2077	Movement in Loan loss
1	Pass	1,050,284,943	1,564,454,127	48.96%
2	Watchlist	257,922,875	147,113,572	-42.96%
2	Restructured/ Rescheduled Loan	3,440,031	3,379,842	-1.75%
3	Substandard Loan	182,897,992	75,212,787	-58.88%
4	Doubtful Loan	59,217,998	191,924,973	224.10%
5	Loss Loan	360,916,082	381,272,352	5.64%
Total		1,914,679,921	2,363,357,653	23.43%

ii. Movement in Interest Suspense

	Particular	Previous quarter Chaitra End 2076	This quarter Ashad End 2077	Movement during the period
1	Interest Suspense	778,219,508	800,487,852	2.86%

9 Segregation of Investment Portfolio:

Particulars	Asar 2077
Available for sale:	
Investment in equity	464,090,255
Held to maturity:	
Investment in treasury bills	7,689,285,700
Investment in Govt. bonds	9,753,475,000
Investment in Foreign Bonds	598,196,093
Placement	9,031,144,100
Total	27,072,100,893
Held for Trading	-