

HIMALAYAN BANK LIMITED
DISCLOSURES UNDER BASEL III AS ON ASHWIN 2073 (16 OCTOBER 2016)
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)	9,593,041,845
1	Paid up Equity Share Capital	4,499,145,000
2	Calls-in-advance	546,325,000
3	Statutory General Reserves	2,373,350,808
4	Retained Earnings	1,559,625,128
5	Current year profit/(loss)	438,461,560
6	Capital Adjustment Reserve	10,108,210
7	Debenture Redemption Reserve	342,857,141
8	Special Reserve	4,000,000
9	Deferred Tax Reserve	69,514,769
10	Less: Miscellaneous expenditure not written off	86,940
11	Less: Deferred Tax Reserve	69,514,769
12	Less: Investment in equity of institutions with financial interests	98,124,000
13	Less: Purchase of land & building in excess of limit and unutilized	82,620,062
	Less: Other Deductions	-

2. Tier 2 Capital and Breakdown of its Components

SN	Particulars	Amount
B	Supplementary Capital (Tier 2)	1,335,786,145
1	Subordinated Term Debt	480,000,000
2	General loan loss provision	819,579,941
3	Exchange Equalization Reserve	34,192,970
4	Investment Adjustment Reserve	2,013,234

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	480,000,000

4. Total deductions from Capital: N/a

5. Total Qualifying Capital

SN	Particulars	Amount
1	Core Capital (Tier 1)	9,593,041,845
2	Supplementary Capital (Tier 2)	1,335,786,145
Total		10,928,827,990

6. Capital Adequacy Ratio:

CAPITAL ADEQUACY RATIOS		
Tier 1 Capital to Total Risk Weighted Exposures		9.89%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures		11.26%

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	85,359,595,008
b	Risk Weighted Exposure for Operational Risk	6,271,304,742
c	Risk Weighted Exposure for Market Risk	293,112,625
	Adjustment under Pillar II	
	Add 5% of gross income for operational risk	2,344,851,785
	Add: 3% of total RWE for overall risk	2,757,720,371
	Total Risk Weighted Exposures	97,026,584,531

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	1,565,175,519
3	Claims on banks	3,739,047,345
4	Claims on domestic corporate and securities firms	47,437,474,774
5	Claims on regulatory retail portfolio	6,646,870,844
6	Claims secured by residential properties	3,634,148,981
7	Claims secured by commercial real estate	1,351,044,557
8	Past due claims	658,279,539
9	High risk claims	9,079,782,295
10	Other assets	3,281,776,300
11	Off balance sheet items	7,965,994,852
TOTAL		85,359,595,008

3. Total Risk Weighted Exposures calculation table:

SN	Particulars	Amount
1	Total Risk Weighted Exposure	97,026,584,531
2	Total Core Capital Fund (Tier 1)	9,593,041,845
3	Total Capital Fund (Tier 1 & Tier 2)	10,928,827,990
4	Total Core Capital to Total Risk Weighted Exposures	9.89%
5	Total Capital to Total Risk Weighted Exposures	11.26%

4 Amount of NPA

SN	Loan Classification	Gross Amount	Provision Held	Net NPA
1	Restructured Loan	204,524,907	53,508,294	151,016,614
2	Substandard Loan	170,373,256	42,593,314	127,779,942
3	Doubtful Loan	38,509,928	19,254,964	19,254,964
4	Loss Loan	427,761,601	427,761,601	-
Total		841,169,692	543,118,173	298,051,519

5 NPA Ratios

Gross NPA to Gross Advances	:	1.17%
Net NPA to Net Advances	:	0.42%

6 Movement of Non Performing Assets (Ashad 2073 VS Ashwin 2073)

S.N	Loan Classification	Previous quarter Ashad End 2073	This quarter Ashwin End 2073	Movement of non performing Assets
1	Restructured Loan	207,423,984	204,524,907	-1.40%
2	Substandard Loan	26,360,394	170,373,256	546.32%
3	Doubtful Loan	155,159,852	38,509,928	-75.18%
4	Loss Loan	462,431,717	427,761,601	-7.50%
Total		851,375,947	841,169,692	-1.20%

7. Write Off of Loans & Interest upto Ashwin End 2073

SN	Principal	Interest	Total
1	-	-	-

8 Movement in Loan Loss Provisioning:

SN	Loan Loss Provision	Previous quarter Ashad End 2073	This quarter Ashwin End 2073	Movement in Loan loss
1	Pass	662,611,869	689,678,145	4.08%
2	Watchlist	105,772,976	174,611,512	65.08%
2	Restructured/ Rescheduled Loan	39,923,810	53,508,294	34.03%
3	Substandard Loan	6,590,098	42,593,314	546.32%
4	Doubtful Loan	77,579,926	19,254,964	-75.18%
5	Loss Loan	462,431,717	427,761,601	-7.50%
Total		1,354,910,396	1,407,407,830	3.87%

ii. Movement in Interest Suspense

	Particular	Previous quarter Ashad End 2073	This quarter Ashwin End 2073	Movement during the period
1	Interest Suspense	453,950,248	563,305,719	24.09%

9 Segregation of Investment Portfolio:

Particulars	Ashwin 2073
Available for sale:	
Investment in equity	205,123,859
Investment in Foreign Bonds	1,610,143,660
Total	1,815,267,519
Held to maturity:	
Investment in treasury bills	3,654,084,128
Investment in Govt. bonds	4,130,950,000
Placement	10,754,263,164
Total	18,539,297,292
Held for Trading	-