

**HIMALAYAN BANK LIMITED**  
**DISCLOSURES UNDER BASEL III AS ON ASHWIN 2076 (17 OCTOBER 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>15,086,102,805</b>
1	Paid up Equity Share Capital	8,520,255,844
2	Share Premium	-
3	Statutory General Reserves	3,736,889,575
4	Retained Earnings	2,171,146,876
5	Current year profit/(loss)	435,916,629
6	Capital Adjustment Reserve	-
7	Debenture Redemption Reserve	600,000,000
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	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>3,757,865,801</b>
1	Subordinated Term Debt	2,569,104,000
2	General loan loss provision	1,148,490,849
3	Exchange Equalization Reserve	39,056,093
4	Investment Adjustment Reserve	1,214,859
5	Other Reserves	-

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

Bond Issued	HBL Bond 2077	HBL Bond 2083
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	-	2,569,104,000.00

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

**5. Total Qualifying Capital**

SN	Particulars	Amount
1	Core Capital (Tier 1)	15,086,102,805
2	Supplementary Capital (Tier 2)	3,757,865,801
<b>Total</b>		<b>18,843,968,606</b>

**6. Capital Adequacy Ratio:**

<b>CAPITAL ADEQUACY RATIOS</b>		
Tier 1 Capital to Total Risk Weighted Exposures		<b>11.27%</b>
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures		<b>14.08%</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	118,566,242,326
b	Risk Weighted Exposure for Operational Risk	8,133,805,741
c	Risk Weighted Exposure for Market Risk	319,121,097
Adjustment under Pillar II		
Add 5% of gross income for operational risk		3,036,447,889
Add: 3% of total RWE for overall risk		3,810,575,075
Total Risk Weighted Exposures		133,866,192,128

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

SN	Particulars	Amount
1	Claims on government & central bank	331,710,898
2	Claims on other official entities	982,418,613
3	Claims on banks	3,809,807,748
4	Claims on domestic corporate and securities firms	78,824,583,284
5	Claims on regulatory retail portfolio	6,923,256,333
6	Claims secured by residential properties	3,251,548,208
7	Claims secured by commercial real estate	1,690,803,111
8	Past due claims	666,678,980
9	High risk claims	5,727,494,299
10	Lending against securities (Bonds and Shares)	1,310,044,219
11	Other assets	4,015,130,910
12	Off balance sheet items	11,032,765,722
TOTAL		118,566,242,326

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

SN	Particulars	Amount
1	Total Risk Weighted Exposure	133,866,192,128
2	Total Core Capital Fund (Tier 1)	15,086,102,805
3	Total Capital Fund (Tier 1 & Tier 2)	18,843,968,606
4	Total Core Capital to Total Risk Weighted Exposures	11.27%
5	Total Capital to Total Risk Weighted Exposures	14.08%

### 4. Amount of NPA

SN	Loan Classification	Gross Amount	Provision Held	Net NPA
1	Restructured Loan	18,795,324	3,614,694	15,180,630
2	Substandard Loan	238,335,498	59,583,875	178,751,624
3	Doubtful Loan	39,415,329	19,707,664	19,707,664
4	Loss Loan	894,794,767	894,794,767	-
Total		1,191,340,918	977,701,000	213,639,918

### 5. NPA Ratios

Gross NPA to Gross Advances		1.16%
Net NPA to Net Advances	:	0.21%

### 6. Movement of Non Performing Assets ( Ashad 2076 VS Ashwin 2076)

S.N	Loan Classification	Previous quarter Ashad End 2076	This quarter Ashwin End 2076	Movement of non performing Assets
1	Restructured Loan	19,469,480	18,795,324	-3.46%
2	Substandard Loan	91,252,194	238,335,498	161.18%
3	Doubtful Loan	52,011,896	39,415,329	-24.22%
4	Loss Loan	935,845,119	894,794,767	-4.39%
Total		1,098,578,689	1,191,340,918	8.44%

### 7. Write Off of Loans & Interest upto Ashwin End 2076

SN	Principal	Interest	Total
1	-	-	-

### 8. Movement in Loan Loss Provisioning:

SN	Loan Loss Provision	Previous quarter Ashad End 2076	This quarter Ashwin End 2076	Movement in Loan loss
1	Pass	959,264,063	996,048,750	3.83%
2	Watchlist	112,566,008	163,142,099	44.93%
2	Restructured/ Rescheduled Loan	3,762,538	3,614,694	-3.93%
3	Substandard Loan	22,813,048	59,583,875	161.18%
4	Doubtful Loan	26,005,948	19,707,664	-24.22%
5	Loss Loan	935,845,119	894,794,767	-4.39%
<b>Total</b>		<b>2,060,256,724</b>	<b>2,136,891,848</b>	<b>3.72%</b>

### ii. Movement in Interest Suspense

	Particular	Previous quarter Ashad End 2076	This quarter Ashwin End 2076	Movement during the period
1	Interest Suspense	814,988,268	838,542,922	2.89%

### 9 Segregation of Investment Portfolio:

Particulars	Ashwin 2076
<b>Available for sale:</b>	
Investment in equity	442,818,348
<b>Held to maturity:</b>	
Investment in treasury bills	6,851,841,965
Investment in Govt. bonds	9,009,075,000
Investment in Foreign Bonds	512,698,443
Placement	6,805,800,000
<b>Total</b>	<b>23,179,415,408</b>
Held for Trading	-