

**HIMALAYAN BANK LIMITED**  
**DISCLOSURES UNDER BASEL III AS ON CHAITRA 2075 (13 APRIL 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>13,809,443,525</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)  | 1,749,726,383         |
| 6        | Capital Adjustment Reserve  | -                     |
| 7        | Debenture Redemption Reserve  | 514,285,713           |
| 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>1,327,556,581</b> |
| 1        | Subordinated Term Debt                | 240,000,000          |
| 2        | General loan loss provision           | 1,052,920,270        |
| 3        | Exchange Equalization Reserve         | 34,636,311           |
| 4        | Investment Adjustment Reserve         | -                    |
| 5        | Other Reserves                        | -                    |

**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)          | 13,809,443,525        |
| 2            | Supplementary Capital (Tier 2) | 1,327,556,581         |
| <b>Total</b> |                                | <b>15,137,000,106</b> |

**6. Capital Adequacy Ratio:**

| <b>CAPITAL ADEQUACY RATIOS</b>                             |  |               |
|--|--|---------------|
| Tier 1 Capital to Total Risk Weighted Exposures            |  | <b>10.79%</b> |
| Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures |  | <b>11.82%</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      | 112,954,870,178        |
| b   | Risk Weighted Exposure for Operational Risk | 7,973,401,790          |
| c   | Risk Weighted Exposure for Market Risk      | 518,052,804            |
| <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       |   | 3,643,389,743          |
| <b>Total Risk Weighted Exposures</b>        |   | <b>128,016,403,358</b> |

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

| SN           | Particulars                                       | Amount                 |
|--------------|---|------------------------|
| 1            | Claims on government & central bank               | 542,738,829            |
| 2            | Claims on other official entities                 | 1,750,283,217          |
| 3            | Claims on banks                                   | 3,465,628,359          |
| 4            | Claims on domestic corporate and securities firms | 73,502,247,749         |
| 5            | Claims on regulatory retail portfolio             | 6,959,468,056          |
| 6            | Claims secured by residential properties          | 3,366,356,495          |
| 7            | Claims secured by commercial real estate          | 1,406,864,036          |
| 8            | Past due claims                                   | 1,318,875,723          |
| 9            | High risk claims                                  | 5,461,538,669          |
| 10           | Lending against securities (Bonds and Shares)     | 1,096,505,337          |
| 11           | Other assets                                      | 3,343,415,531          |
| 12           | Off balance sheet items                           | 10,740,948,175         |
| <b>TOTAL</b> |   | <b>112,954,870,178</b> |

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

| SN | Particulars   | Amount          |
|----|---|-----------------|
| 1  | Total Risk Weighted Exposure                        | 128,016,403,358 |
| 2  | Total Core Capital Fund (Tier 1)                    | 13,809,443,525  |
| 3  | Total Capital Fund (Tier 1 & Tier 2)                | 15,137,000,106  |
| 4  | Total Core Capital to Total Risk Weighted Exposures | 10.79%          |
| 5  | Total Capital to Total Risk Weighted Exposures      | 11.82%          |

### 4. Amount of NPA

| SN           | Loan Classification | Gross Amount         | Provision Held       | Net NPA            |
|--------------|---------------------|----------------------|----------------------|--------------------|
| 1            | Restructured Loan   | 23,479,701           | 7,250,807            | 16,228,894         |
| 2            | Substandard Loan    | 177,403,304          | 44,350,826           | 133,052,478        |
| 3            | Doubtful Loan       | 102,740,266          | 51,370,133           | 51,370,133         |
| 4            | Loss Loan           | 990,746,407          | 990,746,407          | -                  |
| <b>Total</b> |                     | <b>1,294,369,678</b> | <b>1,093,718,173</b> | <b>200,651,504</b> |

### 5. NPA Ratios

|                             |   |       |
|-----------------------------|---|-------|
| Gross NPA to Gross Advances |   | 1.31% |
| Net NPA to Net Advances     | : | 0.21% |

### 6. Movement of Non Performing Assets (Poush 2075 VS Chaitra 2075 )

| S.N          | Loan Classification | Previous quarter<br>Poush End 2075 | This quarter Chaitra<br>End 2075 | Movement of non<br>performing Assets |
|--------------|---------------------|------------------------------------|----------------------------------|--------------------------------------|
| 1            | Restructured Loan   | 5,644,843                          | 23,479,701                       | 315.95%                              |
| 2            | Substandard Loan    | 182,541,495                        | 177,403,304                      | -2.81%                               |
| 3            | Doubtful Loan       | 100,060,182                        | 102,740,266                      | 2.68%                                |
| 4            | Loss Loan           | 951,484,340                        | 990,746,407                      | 4.13%                                |
| <b>Total</b> |                     | <b>1,239,730,860</b>               | <b>1,294,369,678</b>             | <b>4.41%</b>                         |

**7. Write Off of Loans & Interest upto Chaitra End 2075**

| SN | Principal | Interest | Total   |
|----|-----------|----------|---------|
| 1  | 479,090   | 2,024    | 481,113 |

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

| SN           | Loan Loss Provision            | Previous quarter<br>Poush End 2075 | This quarter Chaitra<br>End 2075 | Movement in Loan loss |
|--------------|--------------------------------|------------------------------------|----------------------------------|-----------------------|
| 1            | Pass                           | 976,853,088                        | 962,940,886                      | -1.42%                |
| 2            | Watchlist                      | 84,008,540                         | 100,679,384                      | 19.84%                |
| 2            | Restructured/ Rescheduled Loan | 5,108,011                          | 7,250,807                        | 41.95%                |
| 3            | Substandard Loan               | 45,635,374                         | 44,350,826                       | -2.81%                |
| 4            | Doubtful Loan                  | 50,030,091                         | 51,370,133                       | 2.68%                 |
| 5            | Loss Loan                      | 951,484,340                        | 990,746,407                      | 4.13%                 |
| <b>Total</b> |                                | <b>2,113,119,443</b>               | <b>2,157,338,443</b>             | <b>2.09%</b>          |

**ii. Movement in Interest Suspense**

|   | Particular        | Previous quarter<br>Poush End 2075 | This quarter Chaitra<br>End 2075 | Movement during the<br>period |
|---|-------------------|------------------------------------|----------------------------------|-------------------------------|
| 1 | Interest Suspense | 887,814,553                        | 938,044,407                      | 5.66%                         |

**9 Segregation of Investment Portfolio:**

| Particulars                  | Chaitra 2075          |
|------------------------------|-----------------------|
| <b>Available for sale:</b>   |                       |
| Investment in equity         | 452,599,639           |
| <b>Held to maturity:</b>     |                       |
| Investment in treasury bills | 6,413,072,205         |
| Investment in Govt. bonds    | 5,574,100,000         |
| Investment in Foreign Bonds  | 1,274,707,244         |
| Placement                    | 9,886,489,855         |
| <b>Total</b>                 | <b>23,148,369,304</b> |
| Held for Trading             | -                     |