

**HIMALAYAN BANK LIMITED**  
**DISCLOSURES UNDER BASEL III AS ON POUH 2073 (13 JANUARY 2017)**  
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>10,192,522,216</b>
1	Paid up Equity Share Capital	6,476,319,500
2	Statutory General Reserves	2,373,350,808
3	Retained Earnings	138,842,497
4	Current year profit/(loss)	1,027,878,937
5	Capital Adjustment Reserve	10,108,210
6	Debenture Redemption Reserve	342,857,141
7	Special Reserve	4,000,000
8	Deferred Tax Reserve	69,514,769
	Less: Miscellaneous expenditure not written off	122,545
	Less: Deferred Tax Reserve	69,514,769
	Less: Investment in equity of institutions with financial interests	98,124,000
	Less: Purchase of land & building in excess of limit and unutilized	82,588,332
	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>1,336,338,055</b>
1	Subordinated Term Debt	480,000,000
2	General loan loss provision	820,131,851
3	Exchange Equalization Reserve	34,192,970
4	Investment Adjustment Reserve	2,013,234

**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	480,000,000

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

**5. Total Qualifying Capital**

SN	Particulars	Amount
1	Core Capital (Tier 1)	10,192,522,216
2	Supplementary Capital (Tier 2)	1,336,338,055
<b>Total</b>		<b>11,528,860,271</b>

**6. Capital Adequacy Ratio:**

<b>CAPITAL ADEQUACY RATIOS</b>	
Tier 1 Capital to Total Risk Weighted Exposures	<b>9.94%</b>
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures	<b>11.25%</b>

**B. Risk Exposures**

**1. Risk Weighted Exposures for Credit Risk, Market Risk & Operational Risks)**

<b>RISK WEIGHTED EXPOSURES</b>	<b>Amount</b>
<b>a</b> Risk Weighted Exposure for Credit Risk	90,745,277,804
<b>b</b> Risk Weighted Exposure for Operational Risk	6,271,304,742
<b>c</b> Risk Weighted Exposure for Market Risk	221,185,155
<b>Adjustment under Pillar II</b>	
Add 5% of gross income for operational risk	2,344,851,785
Add: 3% of total RWE for overall risk	2,917,133,031
<b>Total Risk Weighted Exposures</b>	<b>102,499,752,517</b>

## 2. Risk Weighted Exposures under each of 11 categories of Credit Risk

SN	Particulars	Amount
1	Claims on government & central bank	2,194,901,282
2	Claims on other official entities	937,434,727
3	Claims on banks	2,897,687,031
4	Claims on domestic corporate and securities firms	49,714,930,671
5	Claims on regulatory retail portfolio	6,543,300,480
6	Claims secured by residential properties	3,860,785,244
7	Claims secured by commercial real estate	1,575,168,413
8	Past due claims	498,768,986
9	High risk claims	11,311,816,981
10	Other assets	3,560,805,616
11	Off balance sheet items	7,649,678,373
<b>TOTAL</b>		<b>90,745,277,804</b>

## 3. Total Risk Weighted Exposures calculation table:

SN	Particulars	Amount
1	Total Risk Weighted Exposure	102,499,752,517
2	Total Core Capital Fund (Tier 1)	10,192,522,216
3	Total Capital Fund (Tier 1 & Tier 2)	11,528,860,271
4	Total Core Capital to Total Risk Weighted Exposures	9.94%
5	Total Capital to Total Risk Weighted Exposures	11.25%

## 4 Amount of NPA

SN	Loan Classification	Gross Amount	Provision Held	Net NPA
1	Restructured Loan	70,409,145	12,601,668	57,807,477
2	Substandard Loan	91,307,810	22,826,953	68,480,858
3	Doubtful Loan	32,698,673	16,349,337	16,349,337
4	Loss Loan	512,303,156	512,303,156	-
<b>Total</b>		<b>706,718,785</b>	<b>564,081,114</b>	<b>142,637,671</b>

## 5 NPA Ratios

Gross NPA to Gross Advances	:	0.94%
Net NPA to Net Advances	:	0.19%

## 6 Movement of Non Performing Assets (Ashwin 2073 VS Poush 2073 )

S.N	Loan Classification	Previous quarter Ashwin End 2073	This quarter Poush End 2073	Movement of non performing Assets
1	Restructured Loan	204,524,907	70,409,145	-65.57%
2	Substandard Loan	170,373,256	91,307,810	-46.41%
3	Doubtful Loan	38,509,928	32,698,673	-15.09%
4	Loss Loan	427,761,601	512,303,156	19.76%
<b>Total</b>		<b>841,169,692</b>	<b>706,718,785</b>	<b>-15.98%</b>

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

SN	Principal	Interest	Total
1	151,097	3,155	154,253

## 8 Movement in Loan Loss Provisioning:

SN	Loan Loss Provision	Previous quarter Ashwin End 2073	This quarter Poush End 2073	Movement in Loan loss
1	Pass	689,678,145	737,289,641	6.90%
2	Watchlist	174,611,512	89,401,077	-48.80%
2	Restructured/ Rescheduled Loan	53,508,294	12,601,668	-76.45%
3	Substandard Loan	42,593,314	22,826,953	-46.41%
4	Doubtful Loan	19,254,964	16,349,337	-15.09%
5	Loss Loan	427,761,601	512,303,156	19.76%
<b>Total</b>		<b>1,407,407,830</b>	<b>1,390,771,831</b>	<b>-1.18%</b>

ii. Movement in Interest Suspense

	Particular	Previous quarter Ashwin End 2073	This quarter Poush End 2073	Movement during the period
1	Interest Suspense	563,305,719	563,335,612	0.01%

9 Segregation of Investment Portfolio:

Particulars	Poush 2073
<b>Available for sale:</b>	
Investment in equity	205,123,859
<b>Held to maturity:</b>	
Investment in treasury bills	2,726,561,764
Investment in Govt. bonds	4,130,950,000
Investment in Foreign Bonds	2,194,901,282
Placement	9,129,329,326
<b>Total</b>	<b>18,181,742,372</b>
<b>Held for Trading</b>	<b>-</b>